



U.S. Department of State

FY 2000 Country Commercial Guide: Haiti

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TABLE OF CONTENTS

I. EXECUTIVE SUMMARY

II. ECONOMIC TRENDS AND OUTLOOK

- Major Trends and Outlook
- Principal Growth Sectors
- Government Role in the Economy
- Balance of Payments
- Infrastructure

III. POLITICAL ENVIRONMENT

- Nature of Political Relationship with the U.S.
- Major Political Issues Affecting Business Climate
- Brief Synopsis of Political System, Schedule for Elections and Orientation of Major Political Parties

IV. MARKETING U.S. PRODUCTS AND SERVICES

- Distribution and Sales Channels
- Information on Typical Product Pricing Structures
- Use of Agents and Distributors (Finding a Partner)
- Franchising
- Direct Marketing
- Joint Ventures and Licensing
- Steps to Establishing an Office
- Selling Factors / Techniques
- Advertising and Trade Promotion
- Pricing Product
- Sales Service/Customer Support
- Selling to the Government
- Protecting Products from IPR Infringement
- Need for a Local Attorney
- Performing Due Diligence

V. LEADING SECTORS FOR U.S. EXPORTERS AND INVESTMENT

- Best Prospects for Non-Agricultural Goods & Services
- Best Prospects for Agricultural Products
- Significant Investment Opportunities

VI. TRADE REGULATIONS, CUSTOMS AND STANDARDS

- Trade Barriers, Including Tariff and Non-Tariff Barriers
- Customs Regulations
- Tariff Rates
- Import Taxes including Value Added Taxes, Purchase Taxes, Uplifts and Surcharges, and Provincial Taxes
- Import License Requirements
- Temporary Goods Entry Requirements
- Special Import/Export Requirements and Certifications (Health,

Pharmaceuticals, and Pre-Shipment Inspection

- Labeling Requirements
- Prohibited Imports
- Standards
- Free Trade Zones/Warehouses
- Membership in Free Trade Arrangements
- Customs Contact Information

VII. INVESTMENT CLIMATE

- Openness to Foreign Investment
- Right to Private Ownership and Establishment
- Protection of Property Rights
- Adequacy of Laws and Regulations Governing Commercial Transactions
- Foreign Trade Zones/Free Ports
- Major Taxation Issues Affecting U.S. Business
- Performance Requirements/Incentives
- Transparency of the Regulatory System
- Corruption
- Labor
- Efficiency of Capital Markets and Portfolio Investment
- Conversion and Transfer Policies
- Expropriation and Compensation
- Dispute Settlement, including Enforcement of Foreign Arbitration Awards
- Political Violence (as it may affect investments)
- Bilateral Investment Agreements
- OPIC and Other Insurance Programs
- Capital Outflow Policy
- Major Foreign Investors
- Host Country Contact Information for Investment Related Inquiries

VIII. TRADE AND PROJECT FINANCING

- Description of Banking System
- Foreign Exchange Controls Affecting Trade
- General Availability of Financing
- How to Finance Exports/Methods of Payments
- Types of Available Export Financing and Insurance
- Availability of Project Financing, including OPIC and EXIMBANK Project Financing, as well as lending from Multilateral Institutions
- Types of Projects Receiving Financial Support
- List of Banks with Correspondents in the U.S.

IX. BUSINESS TRAVEL

- Business Customs
- Travel Advisory and Visas
- Holidays
- Workweek
- Business Infrastructure
- Temporary Entry of Goods

X. APPENDICES

- Country Data
- Domestic Economy
- Trade
- U.S. and Country Contacts
- Market Research

CHAPTER I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at the Republic of Haiti's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S.

embassies through the combined efforts of several U.S. Government agencies.

Haiti has long been the poorest country in the Western Hemisphere. Haiti's economic stagnation has traditionally reflected lack of investment in human and physical infrastructure, pervasive corruption and inefficiency in the public sector, inappropriate economic policies, and political instability and growing social polarization. Although the international community has been active in helping Haiti address these issues since September 1994 when then-President Aristide was returned, many of these problems remain persistent obstacles to Haiti's development.

Haiti's legislative machinery has been effectively stalled since June 1997, a year-and-a-half after President Preval's February 1996 inauguration. Prime Minister Rosny Smarth resigned in June 1997 and for 18 months the Parliament was unwilling to approve any of the nominations for a new Prime Minister put forward by President Preval. President Preval allowed the Parliament's mandate to lapse in January 1999 effectively leaving the country without a legislative branch of Government. President Preval's last nomination for Prime Minister, Jacques-Edouard Alexis, assumed office in January 1999 and formed a government in March. Alexis has announced that his primary goal is to organize and hold elections to reconstitute Parliament. Those elections are currently scheduled for late 1999.

Despite first the lack of a Prime Minister and the subsequent lack of a Parliament, the government has stated its intention to undertake a number of market-based policies aimed at promoting growth and making improvements in the living standards of Haiti's poor majority. The Government has focused on macroeconomic stabilization, reduced government disbursement, and divestiture of the state-held entities through joint ventures. Foreign investors and the Haitian population would benefit from trade liberalization, privatization and decentralization. During 1998 and 1999 the Preval government maintained Haiti's generally good fiscal performance and reached agreement with the IMF and other international donors on a structural economic reform program. The IMF continues to maintain a staff-monitored "shadow" program in Haiti. Key economic legislation on privatization, trade liberalization and civil service reform was passed before Prime Minister Smarth resigned in June 1997. However, other legislation to modify the Commercial Code, the Customs Code and the Investment Code has not been promulgated due first to the lack of a Prime Minister beginning in June 1997 and the subsequent lack of a sitting Parliament. Nevertheless, the Preval government's policies have led to a stable Gourde (the Haitian currency) and a significant reduction in inflation to between 7 and 8 percent. GDP is projected to grow around 2% in FY99 -- compared to the 2% achieved in 1996, the 1.1% in 1997, and the 3.1 to 3.5% in 1998.

In FY1998, international donors pledged \$49 million in balance of payments and external budget support to assist the Haitian government's economic reform efforts. Since 1997, however, progress has slowed because of the political and governmental impasse discussed above. In addition, no FY1998 or FY1999 budget was passed, though government continued to function through an extension of the previous fiscal year's allocations. Privatization and civil service reforms continue to be the government's priorities, as well as rationalization in the sectors of justice, education and health. In 1998, the Government of Haiti did an excellent job of meeting its goals of downsizing the civil service. Despite the long-running lack of a Prime Minister to head Haiti's national government and the subsequent lack of Parliament, donors continue to provide several hundred million dollars in project assistance covering a wide range of sectors including major infrastructure projects and civil governance programs. The U.S. is the leading bilateral donor, providing \$119 million in aid, food assistance, and disaster relief in FY1999. The Inter-American Development Bank, the World Bank, and the European Union are the leading multilateral donors, projected to disburse \$478 million in project assistance in FY1999.

Haiti provides comparatively attractive business prospects in the assembly and agricultural sectors. Export opportunities for U.S. firms include basic foodstuffs, construction materials, and industrial equipment.

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CHAPTER II. ECONOMIC TRENDS AND OUTLOOK

1. Major Trends And Outlook

Haiti's economy steadily declined in the 1980's, with real per capita gross domestic product falling two percent (2%) a year from 1980 - 1991. Haiti's poor economic performance reflected political instability, pervasive corruption and inefficiency in the public sector, and lack of investment in physical and human capital. Haiti's economic decline accelerated in the early 1990's after the international community imposed a series of trade sanctions on the country in an attempt to facilitate the return of President Jean-Bertrand Aristide. Real GDP declined by a total of about 30% over the period 1991 - 1994. By 1994 estimated per capita GDP had fallen to \$260.

During the three years of the embargo, the public deficit was financed mainly by central bank credit and the accumulation of arrears. Net central bank credit to the public sector rose by an average of 65% yearly from 1992 to 1994. Exports declined from \$202 million in 1991 to \$57 million in 1994, and total imports fell from \$449 million to \$141 million, declining approximately 66% in 1994 alone. Investment fell dramatically, from 11% of GDP in 1991 to 1.7% in 1994, damaging the country's already weak economic infrastructure and industrial production.

The restoration of President Jean-Bertrand Aristide on October 15, 1994 and the subsequent lifting of multilateral and bilateral sanctions set the stage for Haiti's economic recovery. At an informal donor's conference in Paris in August, 1994, the government of Haiti (GOH) promised to adopt market-based policies aimed at making tangible improvements in the living standards of Haiti's poor majority. President Aristide and his economic team presented an economic program based on macro-economic stabilization, trade liberalization, privatization and decentralization.

The developmental challenges facing Haiti remain daunting. Haiti's physical infrastructure is poor -- roads are inadequate, and basic services such as power and telecommunications are frequently unavailable. The sharp division between rich and poor further complicates efforts to develop Haiti's economy.

A new government headed by President Rene Preval and Prime Minister Rosny Smarth took office in February 1996. It attempted to pursue economic reform though with slow progress. Important legislation on civil service reform, budgetary reform, and import tariffs was passed in 1996. Parliament also approved legislation for modernizing state-held enterprises, reflecting the government's hope to attract private sector capital and expertise in redeveloping the country. This modernization may take the form of full privatization, concession, or management contract. The government's Council for Modernization of Public Enterprises (CMEP) is pursuing these privatizations. The formerly government-owned flour mill and cement factory have been sold to international investors and the flour mill began operation under private sector management in early 1999. The cement factory is being refurbished. The Alexis government has announced its intention to press

ahead with the privatization of several other infrastructure-related enterprises before the end of 1999. Specifically, this could lead to the privatization of the national telephone company, the port of Port-au-Prince, the international airport of Port-au-Prince and the national electric company. However, as of mid-1999 labor unions are beginning to take industrial action such as strikes and are becoming increasingly vocal about their opposition to further privatizations. If the protests become more frequent and effective, the Government's stated plans to proceed with these privatizations this year may be jeopardized.

The Government's implementation of multilateral bank infrastructure projects has not moved swiftly. The problems and delays in transferring large amounts of credit into actual rehabilitation programs for Haiti's roads, electricity, water and sanitation infrastructure have resulted in a weaker stimulus to the economy than planned. This resulted in lower economic growth than projected: in FY 1995 GDP growth reached 4.5 percent, but slowed to 2.5 percent in FY 1996 and 1.1 percent in FY 1997, rose to 3.0 percent in 1998, and is projected to slow again to 2.2 percent or less in 1999. Inflation in the first half of the fiscal year 1999 registered below 10 percent, at 7.5 percent. The assembly sector has made significant gains in the first two quarters of FY 1999 with exports up nearly 35 percent over the same period in FY 1998. Construction continues to be a strong sector too. Agriculture continues its decline with the notable exception of the mango-for-export sub-sector, which has seen strong growth.

2. Principal Growth Sectors

Industry

The industrial sector falls into two main categories. The first consists of enterprises that produce for the domestic market, using imported or domestic materials. They include several large private firms as well as a few large public enterprises that prospered in the 1970s, protected by high customs duties and import restrictions. These enterprises were hard hit in 1987 when the GOH sharply reduced customs duties and smuggling became widespread.

The second category consists of enterprises that assemble imported components for export to the U.S. and other markets. Haiti's gross exports to the United States rose from \$40 million in 1973 to \$335 million in 1985 because of low wages, relatively good labor productivity, and proximity and access to the U.S. market. From 1985 to 1994, however, activity was increasingly hindered by economic sanctions, political and social instability, labor unrest, and deteriorating infrastructure. Recent private sector actions to promote investment as well as a strong U.S. market have restored some of the industry's potential. The industry leader at present is the Section 807 apparel segment. Handicraft activities, where export potential is still largely untapped, constitute another opening. At least 94 assembly and handicrafts firms have reopened since the lifting of international sanctions. Employment in 1999 was estimated to have reached over 25,000 jobs in the assembly sector, more than half the pre-embargo, 1990 level.

Infrastructure

With the return of the constitutional government and the resumption of international aid and project financing, work began to rebuild and rehabilitate Haiti's infrastructure. This work included projects for road and bridge construction, housing, electricity and telephones, as well as civil governance programs such as police training. Improvements have been slow, however, and infrastructure problems ranging from a less than 24-hour-per-day electricity supply, to sporadic telephone service, to a road network that continues to deteriorate due to lack of maintenance remain significant disincentives for investors. The U.S. is the leading bilateral donor, providing \$119 million in aid in FY 1999. U.S. assistance is focused on security, humanitarian feeding and health programs, and governance. The

World Bank, Inter-American Development Bank and European Union are the principal multilateral donors.

Agriculture

The embargo had a devastating effect on Haiti's agricultural sector. Cultivation for domestic consumption declined. Both the internal and the export sectors were left decapitalized. This opened up opportunities to supply food and agricultural inputs (seeds, fertilizer, machinery, etc.) as well as joint venture possibilities in agricultural exports, such as mangoes and coffee. Although in decline, agriculture still employs about two-thirds of the labor force and contributes one third of GDP. With the exception of mangoes -- in which Haiti has become the second largest exporter to the U.S. market -- and essential oils, agricultural decline has affected almost all products, including domestic crops and export commodities.

Agriculture is characterized by:

- Low investment and maintenance
- Limited access to credit
- Poor management of irrigation systems
- Over-exploitation of land owing to population pressure
- Deforestation in an already fragile natural environment
- Lack of adaptive variety selection and research, and farming on small plots using primitive implements.

Approximately 700,000 small agricultural producers supply 70% of the food consumed in Haiti. The Haitian state during the last 25 years has invested without success in the sugar, edible oil, essential oils, and flour industries.

The U.S. Agency for International Development (USAID) has been active in assisting the Haitian government with its agricultural programs. The U.S. Department of Agriculture has assisted with the organization of mango producers, and inspects the treatment facilities to permit the export of fruit to the United States.

Tourism

While there is some long term potential for the tourism sector in Haiti, short-term prospects for Haiti's tourism sector are limited. Infrastructure problems including a severe lack of hotel rooms (slightly over 950), poor roads, old airport facilities, inadequate telephone service, and electric supply problems currently hinder development. Enclaved tourism areas serving cruise ships and all-inclusive resorts offer good immediate growth potential, and compensate for infrastructure weaknesses. In the long term, Haiti offers many beaches and islands that could be developed. The country's culture and history are unique: its paintings, monuments, artisan crafts, Creole cuisine and voodoo religion attract the adventurous tourist. With careful planning, Haiti might eventually become a more significant Caribbean tourist destination.

3. Government Role in the Economy

The role of the government in the Haitian economy is, technically, minimal. There are few government subsidies or price controls, and goods are traded at market prices. The GOH has tried to reduce tariff and non-tariff barriers, and is committed to further trade liberalization. More than 70 percent of market goods in Haiti are imported. The government has eliminated many of the steps formerly involved in importing goods, simplifying the import process. The government does, however, regulate prices of petroleum products such as gasoline.

Government influence in the economy is prominent. However, its ability to deliver public services and utilities is highly unreliable, which retards

improvement in the business climate. The GOH has stated its commitment to privatizing the management of a large number of state-owned enterprises and services. The GOH established the CMEP (Commission for the Modernization of Public Enterprises) in January 1997. The CMEP is made up five members to oversee the privatization program (there are only three members currently). The original list of government owned companies that were slated for privatization under the terms of the law on the modernization of public enterprises included: the flour mill, cement factory, telephone company (TELECO), electric company (EDH), port authority, airport authority, edible oil plant and two commercial banks. The flour mill and cement plant were the first privatization transactions to be completed, in 1997 and 1999 respectively. It is hoped that the other state-owned enterprises will be privatized by late 1999 or early 2000.

The Presidential Commission on Economic Growth and Modernization, which consisted of seven GOH officials and fifteen private sector representatives, was set up in 1994 to "recommend economic, legal or regulatory measures for the modernization of the economic and financial infrastructure of the country, as well as to enhance the climate for national investment". The mandate for the Commission lapsed in 1997 and was not renewed. The Commission prepared a package of draft laws to promote private sector activity, including a new investment code, and proposals for free zones and an investment promotion center. These laws will have to be re-submitted when Parliament is reconstituted.

4. Balance of Payments Situation

According to the IMF, the projected FY1999 balance of payments will show an overall deficit of \$73 million, financed through a combination of exports, central bank reserves, and private transfers from Haitians living abroad, mainly in North America. External grants from donors compensate for nearly the entirety of this deficit.

Exports (fob): \$ 329.0 million

Imports (fob): \$-748.0 million

Services (net): \$-162.0 million

Private Transfers:\$ 304.0 million

External Grants: \$ 204.0 million

From 1991-1994, Haiti's external trade position deteriorated sharply following the imposition of the trade embargo. The overall balance of payments shifted from a surplus of \$13 million in 1991 to deficits averaging \$17 million per year in 1992-1994. These deficits reflected the decline in net capital inflows after 1991 as a result of the suspension of all but humanitarian foreign aid. Foreign assistance resumed after the return of the constitutional government in October 1994, and imports returned to high levels as pent-up demand was satisfied. Imports have grown steadily driven largely by aid flows and remittances from Haitians living abroad. The IMF projects Haiti will receive around \$204 million in external grants and \$304 million in remittances made through commercial banks and exchange houses, though the actual level of remittances may be much higher. Many Haitians send money through informal channels rather than commercial banks and exchange houses; estimates of the value of remittances reach well over \$500 million. Haiti's ability to generate significant export revenue in the medium term will depend on the further recovery of the assembly sector.

5. Infrastructure

Haiti's transportation infrastructure consists of 4,050 km of roads (2,515 mi.), 950 km of which are paved, 950 km otherwise improved and 2,150 km unimproved. There are two major ports, Port-au-Prince and Cap Haitien, and 12 minor ports. Port-au-Prince possesses a roll-on/roll-off facility, a 30

ton gantry crane and a 50 ton mobile crane. Most of the port equipment is in poor condition and port fees are the highest in the Caribbean region. Management of the port is projected to be turned over to a private operator under a management contract or concession in late 1999 in the context of the privatization law passed by parliament in September 1996. Whether this will actually happen is an open question; mounting union opposition and general political uncertainty may make quick movement on port privatization difficult.

The country's two international airports are located in Port-au-Prince and Cap Haitien. Port-au-Prince is served by ALM, American Airlines, Air Canada, Canada 3000, Air France, and COPA.

Haiti's telephone service density (6 telephones per 1,000 inhabitants) ranks below that of poor countries in Africa (8 telephones per 1,000). Haiti currently has 64,000 telephone lines (approximately 80% of which are in the Port-au-Prince metropolitan area). The state-owned telephone company is also slated to be privatized, either by management contract, concession, or partial sale under the Government's modernization law. Subscribers with international telephone service can dial direct to the U.S. and Europe. Line theft is a major problem and enterprises owning international direct dial lines often find them stolen and "sold" to other -- non-paying -- customers. Local telephone service is at best sporadic. A privately-owned wireless telephone service, Haitel, began service in early 1999. Within two months its service was fully subscribed. Another wireless operator, Comcel (a Western Wireless subsidiary) is due to begin service in mid-1999. The presence of two wireless operators will do much to improve Haiti's overall telecommunications infrastructure.

There are about 50 AM/FM radio stations and 8 TV stations. Several radio stations are capable of nationwide broadcasting. Cable television service (offering several U.S. and French Canadian channels) is provided by a private operator, Tele-Haiti.

Haiti's installed electric power capacity is approximately 223 megawatts (178mw for Port-au-Prince; 45mw for the rest of the country), but is compromised by the dilapidated condition of production and transmission equipment, lack of maintenance, silting at the Peligre Dam and low stream discharge during the dry season. The hydro-electric potential is estimated at 120 mw of which 54 mw has been installed. Electricity service is unevenly distributed among the population and is available to 45% of the population in Port-au-Prince, but only 3% in the rest of the country.

Current peak demand in Port-au-Prince is estimated to be approximately 100 mw, but this is essentially a function of supply. Potential demand in the capital could be well over 200 mw, given reliable supplies and an adequate distribution network. Estimates of installed private generation capacity are around 75-125mw. Over \$100 million has been spent on refurbishment of general generation capacity since the return of constitutional government. Despite this, electricity -- in terms of quantity, quality and reliability -- remains inadequate. The state-owned electric utility, Electricite d'Haiti (EDH), is able to supply 16-20 hours a day of electric power to most neighborhoods in the capital during the rainy season. Power supplies become unreliable during December-March, when production at Peligre Dam declines. Power interruptions resulting from generation and transmission equipment failures are common. Blackouts are common in the provinces, where many areas are effectively without power. The electric company could also be placed under private management through a bid procedure in 1999-2000.

CHAPTER III. POLITICAL ENVIRONMENT

1. Nature of Political Relationship with the U.S.

Haiti is located 600 miles south-east of the coast of Florida, and the U.S. remains its most important commercial partner. More than sixty percent of

the country's imports come from the United States. The U.S. government provides substantial assistance to Haiti, and is committed to assisting Haiti strengthen its economy.

The geographic proximity of the two countries, a large Haitian-American population in the U.S., strong U.S. cultural and economic exchanges, Haiti's dependence on external aid, and the issue of Haitian migrants seeking to enter the U.S. have been among the most important factors shaping the political relationship between the two countries. The U.S. government's continuing support for Haiti's democratic institutions is a key element in the relationship.

2. Major Political Issues Affecting Business Climate

Haiti's history of political instability dates to its independence in 1804. Illustrating this instability are the 21 constitutions that Haiti has had during its 195 year history. This turbulent political past has seriously hurt the country's economy and the business climate, with a decline in investment coinciding with the political and social unrest of the late 1980's.

Since 1986 Haiti has moved unevenly along a path of constitutional rule. After free and fair elections supervised by the United Nations in December 1990, Jean-Bertrand Aristide was inaugurated as President in February 1991. On September 30, 1991, a military coup forced President Aristide out of Haiti. A U.S.-led Multinational Force restored constitutional government three years later. Aristide's successor, President Rene Preval, took office in 1996. The next presidential elections are scheduled for November 2000. Legislative elections were held in both 1995 and 1997, with disappointing results. New legislative elections are anticipated before the end of 1999. These should reconstitute the legislative branch of government, which effectively ceased to function January 11, 1999. Following a twenty-month hiatus that began in June 1997, a new Prime Minister was ratified in December 1998.

3. Brief Synopsis of Political System, Schedule for Elections and Orientation of Major Political Parties

The Haitian constitution adheres to the principles of democracy and human rights as defined in the Universal Declaration of Human Rights of 1948. The constitution provides for a system of representative government under which power is shared among:

The Executive Branch consisting of:

- A chief of state: a President elected for a five-year term and not eligible for immediate re-election or election for a total of more than two terms.
- A head of government: a Prime Minister chosen by the chief of state from the membership of the majority party in Parliament; or, in the absence of a majority party, after consultations with the leadership of both parliamentary chambers.

The Legislative Branch consisting of:

- A Senate made up of 27 members elected by a direct popular vote at the departmental level for a six-year term, and eligible for re-election for an indefinite number of terms.
- A Chamber of Deputies consisting of 83 members elected by a direct popular vote at the municipal level for a four-year term, and eligible for re-election for an indefinite number of terms.

The Haitian judiciary is divided into four basic levels: justices of the peace; fifteen courts of first instance; five regional courts of appeal; and, the Haitian supreme court (Cour de Cassation).

The constitution also provides for an independent board of elections charged

with the organization and supervision of electoral procedures.

The Prime Minister's government is composed of a cabinet that must be confirmed by parliament. This cabinet is called the Council of Ministers. The Council of Ministers is presided over by the President of the Republic.

Many political parties of different ideologies are active in the Haiti. Most parties are not well structured. They lack adequate financial resources, and their focus is on personalities and regional alliances rather than national policy priorities.

In 1990, a coalition of parties called "the National Front for Change and Democracy" endorsed Jean-Bertrand Aristide's successful campaign for President. Later, Aristide's campaign motto, "Lavalas," became the name for a loose and diverse coalition of parties and groups with generally leftist and nationalist political orientation, which won both the presidential election and a parliamentary majority in the legislative election in 1995. The Lavalas bloc in 1995 included three political parties: Lavalas Political Organization (OPL), Parti Louvri Barye (PLB), and Movement to Organize the Country (MOP). By late 1996 the Lavalas coalition fractured. Subsequently, in 1997, former President Aristide founded a new party called the Lavalas Family ("Fanmi Lavalas").

Although politics is dominated by Fanmi Lavalas, the OPL, and the Espace d'Concertation, a broad spectrum of non-Lavalas parties and popular organizations continue to operate. Some, such as the FNCD and KONAKOM, boycotted the electoral process in 1995 and 1997, but are expected to participate in elections scheduled for late 1999. Other small parties have participated in elections but performed poorly. In the run-up to legislative elections in 1999, the ability of the Haitian National Police (HNP) to maintain security, and the ability of the international community to provide elections observers, remain critical elements in the process of institutionalizing representative government in Haiti.

CHAPTER IV. MARKETING U.S. PRODUCTS AND SERVICES

1. Distribution and Sales Channels

U.S. companies have a number of options for entering the Haitian market place. Most common is the use of an official representative for distribution of products, as the Haitian commercial code does not allow for foreigners to be engaged in wholesale or retail businesses without first obtaining a professional license. Types of ventures include franchising, licensing, wholesaling and retailing. Most foreign firms are represented by agents in Port-au-Prince, who then distribute products to the provinces. There are exceptions in Cap-Haitien and Jacmel where agents distribute goods to the north and south of the country respectively.

The defined marketing areas of Haiti include the provinces of the north (le Departement du Nord) around the city of Cap Haitien; the "Artibonite Department" (le Departement de l'Artibonite) around Saint-Marc and Gonaives; the central part of the country around Port-au-Prince (le Departement de l'Ouest); and the south around the cities of Cayes and Jacmel (le Departement du Sud-est et du Sud-ouest).

2. Information on Typical Product Pricing Structures.

There is no set pricing structure in Haiti, but the government does impose restrictions on the percentage of mark-up allowed on pharmaceutical products (no more than 40% is allowed). However the cost of products do reflect high transaction costs associated with operating in Haiti. For example, Haiti has perhaps the highest port fees in the hemisphere, as well as various import duties and taxes that apply to virtually all imported commodities. In general these high transaction costs may add 30% or more to the final purchase price of selected products.

3. Use of Agents and Distributors (Finding a Partner)

As mentioned above, many firms do business in Haiti through an agent, a relationship subject to Haitian law. The two parties are free to negotiate a contractual agreement, with the agents usually appointed specific tasks and duties. Agents are almost always compensated on a commission basis, as opposed to a salary system or other compensation packages. Arrangements used between the parties are established at their own discretion and do not have to be supervised or approved by the Haitian Government.

Finding a partner in Haiti is possible through a number of channels including business/industry associations in the country (please see Chapter X). In addition, the U.S. Commercial Service in Port-au-Prince can help U.S. exporters find agents and distributors through the following services:

- Agent Distributor Service (ADS): FCS staff will conduct a search for suitable representatives and prepare a report listing Haitian firms that have read client literature and have agreed to consider a business relationship. The fee is \$250.00.
- Gold Key Service: This consists of a survey of potential representatives or customers based on the client's requirements, pre-arranged appointments with these prospects and a bilingual trade aide-interpreter-secretary (wherever applicable). The fee is \$300.00 for the first day and \$200.00 for each additional day.

4. Franchising

Franchising does exist in Haiti, but at this time there are no specific regulatory laws. The government allows any private citizen to enter into a franchising agreement and does not require the submission of specifications on the contract, nor does it require technical specifications on machinery and equipment used. The list of American companies with franchisees or affiliated local partners in Haiti includes Sears and Roebuck, Radio Shack, DHL, Federal Express, United Parcel Service, Culligan Water Technologies, and NAPA Auto Parts. During 1998-1999, additional U.S. companies have taken steps to establish and/or broaden their franchises in Haiti, including several food service firms such as Jerry's Subs & Pizzas, Wendy's, and Domino's Pizza. The Commercial Service plans to conduct a Franchising Readiness Seminar in Port-au-Prince in late 1999 or early 2000 to introduce Haitian business-persons to the commercial opportunities available through franchising with American companies.

5. Direct Marketing

Direct marketing is not common in Haiti. The inefficient Haitian postal system and the overburdened telecommunications system discourage local and foreign companies from engaging in telephone and direct mail solicitation. However, some Haitian entrepreneurs have had modest success doing direct marketing of selected products such as cosmetics and beauty supplies.

6. Joint Ventures and Licensing

Foreign investors are permitted to form joint-ventures with the local partner of their choice. There are no regulations regarding this subject. Although the distribution of shares is a private matter between the foreign firm and the local partner, the selling and the buying of company shares is regulated by mutually agreed by-laws.

7. Steps to Establishing an Office

Establishing an office in Haiti depends on the nature of the company's business (banks, manufacturing, etc.). Retailing, for example, is not open to foreigners. In general, in order to establish an office to do business

in Haiti, a foreigner needs a residence permit, a work permit and a business license.

To obtain a residence permit, the applicant should write to the nearest Haitian Consulate. The Consul will send the request to the appropriate Haitian officials. The applicant will be notified of acceptance or denial of his/her request within one month. If the request is made while the applicant is in Haiti, the application must be submitted directly to the Ministry of Interior.

To obtain the work permit, the applicant must go to the Ministry of Social Affairs with his/her passport, residence permit and job offer. A one time payment equal to half of the monthly salary must be paid to the tax office.

To obtain the business license, the applicant goes to the tax office with the work permit in order to buy an identity card and to pay for the license. A foreigner owning a business in Haiti must write to the Ministry of Commerce describing the activity in which he/she will be involved and provide his/her name, title, nationality and two photographs. The applicant must include the receipt or photocopy of the residence permit, identity card, and license fee. Approval is generally granted within two weeks. The license is renewable annually from October 1 to October 20.

Every person engaged in commerce is supposed to carry a professional identity card under the decree of September 26, 1960 (Le Moniteur #89). Entrepreneurs may choose from the following legal forms of business when establishing an enterprise in Haiti:

- Sole Proprietorship Business
- Association of Persons (Joint or Limited Partnership)
- Limited Partnership by Shares
- Corporation
- Branch of Foreign Company
- Cooperative

The formalities for establishing a corporation, which is the most widely used form of organization, takes about one month. A minimum capital of 30,000 gourdes (approximately \$2,000 at an exchange rate of 15 to 1) is necessary to form a commercial corporation and 97,500 gourdes (approximately \$6,500 at an exchange rate of 15 to 1) for an agricultural or industrial corporation.

8. Selling Factors - Techniques

Shop hours are not regulated by law in Haiti. The work day is usually from 8:00 am to 4:00 pm. Small versions of American-style shopping malls are being built in Port-au-Prince, but the majority of Haitians buy their goods largely from merchants in the informal market. Several public relations and promotional firms operate in Port-au-Prince, and can assist American businesses in creating successful marketing tools to sell products or services.

Due to the limited purchasing power of the vast majority of the Haitian population, pricing is very important. It is crucial that any company interested in launching products or offering services on the Haitian market give special attention to the marketing plan and the publicity campaign.

9. Advertising and Trade Promotion

Haitian advertising companies do exist and have successfully helped U.S. firms sell their products and services into the Haitian market. American firms that are looking to penetrate the Haitian market should seriously consider using a local advertising and/or public relations. (A list of these firms is available from the Commercial Service in the American Embassy.) This will ensure that the product is introduced to the target

market in a way reflective of the prevailing culture and values of the intended consumers. U.S. consumer goods are viewed by the general public as being of good quality.

The morning and evening news are considered prime time advertising hours. Radio advertising is the most popular and most widely used form of publicity in Haiti.

Haiti's main daily newspapers are "Le Nouvelliste" and "Le Matin." There are three weekly newspapers edited and printed in the United States - "Haiti en Marche," "Haiti Observateur" and "Haiti Progres." There are no economic or commercial daily publications.

There are several private AM/FM radio stations, some of which compete with the state-owned radio station (Radio Nationale d'Haiti) in providing nationwide radio coverage. There are four private TV stations operating in the capital and one state owned station (Television Nationale d'Haiti). U.S. cable channels are available through Tele-Haiti, a private company.

Billboards have become a very popular form of sales promotion and are used throughout the capital and the provinces. Commercial fliers are sometimes used, especially when targeting the upper social classes. Store displays play a significant role in retail promotion.

10. Pricing Product

Pricing products in Haiti is a function of the target consumer and the product in question. High ticket items such as computers and household appliances are marketed mainly to the small percentage of Haiti's population that comprise the middle and upper classes. Many of these Haitians travel often to the United States and are able to purchase such items for shipment to Haiti. Pricing these products for local purchase must reflect some savings to the consumer versus buying directly in the U.S. (It should be noted that shipping charges as well as import duties and fees add a significant percentage to the overall purchase price of products imported by individuals for personal use.)

Products that are marketed to Haiti's majority population must be priced carefully given the limited buying power of the average consumer. Many basic necessities are purchased in Haiti's informal economy, where prices are set by small merchants who themselves obtain products from buyers that import inexpensive commodities from bulk producers in Asia.

11. Sales Service/Customer Support

Agents for foreign brands often offer customer services for such products as appliances, cars, computers, technical equipment, radios, and televisions. This is applicable for rentals and after-sales service. The demand for qualified technicians is much greater than the current available supply, so providing after-sales service is a strong incentive for potential consumers.

12. Selling to the Government

The Haitian Government has the liberty to make its own contracting arrangements but frequently uses a bidding procedure, especially for large procurements. National and foreign firms are usually welcome to bid directly for contracts with the Haitian government. The Haitian government often announces a call for bids by placing an advertisement in Haiti's major daily newspapers. These announcements are then made available to American businesses through the U.S. Department of Commerce's National Trade Database (NTDB). American firms interested in selling goods or services to the Haitian Government are advised that pre-qualification requirements are often in place for pending procurements. Interested firms should send a letter of introduction along with a statement of corporate capabilities to the Haitian government office that will oversee the procurement. A list of Haitian

government offices is contained in Chapter X.

13. Protecting Products from IPR Infringement

The Haitian Constitution recognizes certain intellectual property rights. Article 38 provides that scientific, literary, and artistic property are protected by the law. Haiti is a signatory to the Buenos Aires Convention of 1910 and the Paris Convention of 1883 with regard to patents; and to the Madrid Agreement with regard to trademarks. Haiti's patent law dates from 1922 (Law of December 14, 1922); and its trademark law is the Law of July 17, 1954 on trademarks, as modified by decrees in 1956, 1960, and 1970.

Special manufacturers' marks, trademarks or the right to a business name should be registered with the Ministry of Commerce and Industry. Haitian law provides penalties for infringement, fraud and unfair competition. Haitian law also protects copyrights and inventions as long as they are legally filed with the Ministry of Interior (copyrights); or patented by the Ministry of Commerce and Industry (inventions, designs and models).

Any new discovery or invention from any industrial enterprise grants to its author, Haitian or foreigner, the exclusive right for use as established by the title or patent delivered by the government.

Any manufacturer, businessperson, merchant, or company is entitled to register a trademark for his product. Prohibited from use or adoption as trademarks are: distinctive signs already registered or which could be confused through association; phrases, names, or slogans constituting a commercial name or one of its essential parts; national or municipal flags or badges; and immoral or scandalous figures.

Poor enforcement significantly erodes protection offered by IPR legislation. Moreover, Haiti's weak judicial system makes it difficult to obtain a remedy in cases of copyright infringement. For example, illegal broadcasts of copyrighted motion pictures have occurred, despite government laws against such activity.

14. Need for a Local Attorney

Counseling from a local attorney is recommended for foreigners doing business in Haiti. Many Haitian lawyers are fluent in English and many law firms are familiar with U.S. law. The U.S. Embassy's Commercial Section can provide a list of Haitian law firms to American businesses interested in knowing their legal rights and obligations when operating in Haiti.

15. Performing Due Diligence

Prior to establishing a business relationship or signing any commercial agreement it is strongly advised that all Americans planning to enter the Haitian market contact the U.S. Embassy in Port-au-Prince. The Commercial Section offers a number of services which can assist American businesses that are interested in opportunities in Haiti. Performing due diligence checks prior to conducting business in Haiti is of the utmost importance in ensuring proper understanding of the rights and obligations of foreign nationals operating in Haiti's commercial environment.

CHAPTER V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

The United States is Haiti's largest trading partner. American products consistently dominate the Haitian market, capturing an estimated sixty-percent of overall market share across all categories. Total U.S. exports to Haiti have increased over 15% over the past two years, increasing from \$475 million in 1996 to \$548 million in 1998. Based on this upward trend the Commercial Service concludes that opportunities exist in a number of areas for U.S. businesses to export their products and services, or to invest in new or long-established enterprises. These include rebuilding and

modernizing Haiti's infrastructure, manufacturing for export, franchising operations, agriculture, and (in the medium to long term) tourism.

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

Rank: 1

Name of Sector: Electrical Generation, Transmission and Distribution

Equipment (HS 85)

ITA Code: ELP, EIP

Narrative

Haiti's nationally owned power company, Electricite d'Haiti (EdH), is able to generate only 223MW of power, far less than what is required by Haiti's population. As a result, businesses and homeowners who need to be assured of a reliable source of electric current have no alternative but to purchase the necessary equipment to generate their own power. As a result the leading electrical products exported by the U.S. to Haiti include: diesel powered electric generators; transformers, static converters and inductors; and, components, parts and accessories for repair and other purposes. Since 1996 exports of electrical machinery to Haiti have risen over 30%, from \$17 million to nearly \$23 million in 1998. This growth reflects the need of commercial operators and private home owners for a reliable supply of electricity, provided by auxiliary power units to supplement the electricity supplied by the government owned utility. The need for reliable power will continue in the foreseeable future, until the state owned electrical company is effectively privatized and can meet normal demand for electricity.

Data Table (Thousands of U.S. Dollars)

	1997	1998	1999 (e)
A. Total Market Size:	27,136	31,975	36,771
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	27,136	31,975	36,771
E. Imports from the U.S.:	19,331	22,839	26,265

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce.

Rank: 2

Name of Sector: Building Products

ITA Code: BLD

Narrative

The construction sector is consistently one of the most dynamic in Haiti. In addition to large infrastructure projects that are often financed by the international community, private Haitian consumers and commercial enterprises purchase building products for small residential construction as well as medium commercial developments. The largest single building product imported by Haiti is cement, with an estimated 750,000 tons brought in each year valued at CIF \$48 million. The former state owned cement factory was privatized in early 1999, and plans are for it resume operations with estimated production of about 280,000 tons per year for the local market. Steel is not produced locally and the majority of imported steel products come from Europe and Asia. The U.S. supplied \$7.5 million worth of wood products to Haiti's building market in 1998, mostly treated lumber, softwood and plywood. The portion of the market currently dominated by the U.S.

includes plumbing and bathroom fixtures, cabinets and finished hardware items, as well as quality hand tools including power equipment.

Data Table (Thousands of U.S. Dollars)

	1997	1998 (e)	1999 (e)
A. Total Market Size:	62,311	66,752	68,000
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	62,311	66,752	68,000
E. Imports from the U.S.:	13,087	19,441	21,500

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce and the Haitian Customs Administration.

Rank: 3

Name of Sector: Construction Equipment and Motor Trucks

ITA Code: CON, TRK

American made motor trucks and heavy construction equipment share the Haitian market with Japanese and European products. American road construction machinery is represented primarily by Caterpillar loaders and back hoes, while transport equipment and dump trucks are largely Mack and Navistar-International products. The largest customer for heavy equipment is the Ministry of Public Works, Transportation and Communication (TPTC). Based in part on favorable financing offered to TPTC by the Taiwanese government, the Haitian government has taken delivery on several hundred new vehicles since 1997, including garbage trucks, busses, and medium sized dumpers. Due to heavy usage and the extremely difficult work conditions, a great number of spare parts will likely be needed to keep TPTC's new fleet of trucks operational. In addition to the government, there are several private construction and shipping companies in Haiti whose vehicle needs account for a growing percentage of overall truck sales.

Data Table (Thousands of U.S. Dollars)

	1997	1998	1999 (e)
A. Total Market Size:	10,165	13,630	14,436
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	10,165	13,630	14,436
E. Imports from the U.S.:	7,261	6,031	7,218

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce.

Rank: 4

Name of Sector: Drugs/Pharmaceuticals

ITA Code: DRG

Narrative

The pharmaceutical market in Haiti relies completely on imported products, including finished products and raw materials used by local drug manufacturers. The market for pharmaceutical products in Haiti exists on three levels. First, approximately fifty (50) importers operate as manufacturer's agents, supplying over the counter pharmaceuticals to approximately 200 pharmacies in metropolitan Port-au-Prince and around sixty (60) pharmacies located in the provinces. Second, a group of approximately thirty-two (32) non-governmental and private voluntary organizations (e.g., Care, Catholic Relief Services, Save the Children) import manufactured products for use in providing health care services to target populations in urban and rural locations throughout Haiti. Third, raw materials are imported by three (3) laboratories in Port-au-Prince that manufacture low cost and generic over the counter medicines and pharmaceuticals for retail nationwide. Overall the pharmaceutical market is growing in Haiti, and the U.S. share of the market is following this general trend. Health care standards are generally quite low, but the use of generic antibiotics and over the counter medicines and drugs is increasing. The greatest export opportunities in the pharmaceutical sector are in generic equivalent drugs, raw materials, and supplies for private voluntary organizations working to improve health and nutritional standards among Haiti's population.

Data Table (Thousands of U.S. Dollars)

	1997	1998	1999 (e)
A. Total Market Size:	21,230	22,628	25,100
B. Total Local Production:	6,954	6,628	7,500
C. Total Exports:	-	-	-
D. Total Imports:	14,276	16,000	17,600
E. Imports from the U.S.:	3,195	3,600	4,000

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce and the Haitian Customs Administration.

Rank: 5

Name of Sector: Cosmetics/Toiletries

ITA Code: COS

Narrative

Cosmetics and toiletries comprise a \$7-8 million annual market in Haiti. The most popular personal care products are hair preparations such as shampoos, conditioners, relaxers and color treatments, as well as basic cosmetic products such as facial powders, moisturizing lotions, lipsticks, and specialty creams for dark complexions. Some personal care products are manufactured locally, including moisturizing lotions, deodorants, and hair products. Some of the largest Haitian importers/distributors of personal care items place monthly orders equaling almost \$250,000 USD. Five of the leading cosmetics distributors and retailers in Haiti traveled to the U.S. to participate in the August 1998 trade exposition for personal care products which was organized by the Beauty & Barber Supply Institute.

(Interest in the BBSI trade show has grown over the past year, and the U.S. Commercial Service expects nineteen of Haiti's largest distributors and retailers to attend the August 1999 trade show sponsored by BBSI.) In April 1999 a leading Haitian distributor of hair care products sponsored a contestant to represent Haiti in Pro-Line Corporation's "Miss International Soft & Beautiful Contest" in Dallas, Texas. In July 1999 the Revlon Corporation will introduce a line of cosmetic products through its

authorized Haitian distributor.

Data Table (Thousands of U.S. Dollars)

	1997	1998	1999 (e)
A. Total Market Size:	8,544	6,811	7,500
B. Total Local Production:	1,000	1,200	1,500
C. Total Exports:	-	-	-
D. Total Imports:	7,544	5,611	6,000
E. Imports from the U.S.:	4,582	4,676	5,000

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce.

Rank: 6

Name of Sector: Automotive Parts/Service Equipment

ITA Code: APS

Narrative

The total number of vehicles in Haiti is approximately 120,000. According to a January 1999 report from the Haitian Customs Administration, approximately 15,000 vehicles were imported during FY98 (Oct. 97 - Sept. 98). It is estimated that 80% of these vehicles are used cars and trucks. Regarding the automotive after market sector, perhaps as many as 15% of the vehicles in Haiti are out-of-service and awaiting repairs at any one time, creating a strong demand for automotive parts and accessories. Since the passenger vehicle market is dominated by non-U.S. models, the majority of consumer auto parts purchased by Haitian retailers and distributors are manufactured for Japanese and other Asian makes and models. Kits for rebuilding major components such as starters and alternators are especially popular in Haiti. Haitian auto parts dealers have close relationships with American suppliers, but also purchase bulk orders from suppliers in Japan, Korea, Taiwan and Panama. In November 1998 the Commercial Service organized a delegation of Haitian distributors of auto parts to attend the Automotive Aftermarket Industry Week trade show held in Las Vegas, Nevada. Interest in the AAIW show was so good that the Commercial Service plans to organize a larger delegation to attend the 1999 AAIW show.

Data Table (Thousands of U.S. Dollars)

	1997	1998 (e)	1999 (e)
A. Total Market Size:	4,179	4,450	4,550
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	4,179	4,450	4,550
E. Imports from the U.S.:	2,338	2,500	2,700

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the

U.S. Department of Commerce and the Haitian Customs Administration.

Rank: 7

Name of Sector: Computers and Components (HS 8471)

ITA Code: CPT

Narrative

Haiti has a very dynamic group of entrepreneurs who have founded computer retail and service enterprises to respond to the demand in Haiti for personal and commercial information processing applications. Two additional Internet service providers entered the market in 1998, where it is estimated that 1500 personal computers are sold each year to Haitian consumers. In addition to the PC market, the mainframe market has grown to meet demand within Haiti's banking sector, caused by the expansion of services and the opening of additional branch offices both inside Port-au-Prince and in other Haitian cities. Peripherals such as printers and uninterrupted power supplies comprise approximately 30% of the overall market, with sales approaching \$1 million per year. Increased competition among Haiti's Internet service providers will likely mean an acceleration of plans to introduce Internet connectivity to people living in Haiti's rural areas. (For example, in early July 1999, one leading Internet service provider organized press conference to announce the inauguration of their new service to the city of Jacmel, which is located 80 kilometers south of Port-au-Prince.) The second annual Internet symposium and equipment exposition was held in Port-au-Prince in May 1999, and included almost thirty exhibitors representing local companies that provide ADP services, training and equipment sales.

Data Table (Thousands of U.S. Dollars)

	1997	1998 (e)	1999 (e)
A. Total Market Size:	4,083	2,858	3,000
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	4,083	2,858	3,000
E. Imports from the U.S.:	3,712	2,598	2,600

Exchange Rate used: 15 Gourdes to \$1.00USD

The above statistics are unofficial estimates based in part on data from the U.S. Department of Commerce.

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

U.S. grown rice and wheat are the top two products of all American commodities exported to Haiti. Other U.S. agricultural products still within the top ten of all American commodities exported to Haiti are vegetable (soybean) oil, meat (poultry), and vegetable products (dried legumes). The total value of agricultural exports (including fish and forestry products) to Haiti in calendar year 1998 equaled \$202 million USD, down slightly from the total 1997 exports of \$206 million but still an increase of almost five percent over the 1996 total of \$194 million USD. Total exports of combined U.S. agricultural products are up 25% during the period January-April 1999 compared to the same four months in 1998.

The U.S. Department of Agriculture (USDA) has authorized \$35 million USD in credit guarantees to countries in the Western Caribbean Region -- specifically Haiti and Jamaica, under the Commodity Credit Corporation's (CCC) Export Credit Guarantee Program (known as GSM-102). Twenty

agricultural commodities are accredited under the GSM-102 authorization. Included on this list are all of the most important food imports to Haiti, such as rice, wheat and wheat flour, vegetable oil, and poultry, as well as solid wood products (which are the leading non-food agricultural imports to Haiti). For more information on USDA's GSM-102 program, interested companies should contact the Foreign Agriculture Service's Information Division in Washington, D.C., telephone number 202-720-7115.

Rice (HS 10)

Narrative

Rice is a staple in the Haitian diet, and the importation of American rice is consistently the leading U.S. dollar value export to Haiti. The amount of American rice exported to Haiti in 1997 reached a thirty year high (since at least CY 1970), totaling almost \$66 million USD. Exports of rice to Haiti declined somewhat in 1998, totaling just under \$62 million USD. Exports from the U.S. during January - April 1999 were up 21% over the same period in 1998, from \$23 million to \$28 million.

Data Table (in metric tons)

	1997	1998	1999 (e)
A. Total Market Size:	250,000	251,000	255,000
B. Total Local Prod.:	50,000	41,000	50,000
C. Total Exports:	-	-	-
D. Total Imports:	200,000	210,000	205,000
E. Imports from the U.S.:	172,870	181,000	185,000

The above statistics are unofficial estimates based in part of data from the USDA's Foreign Agriculture Service.

Wheat (HS 11)

Narrative

Wheat flour is the second largest dollar value agricultural commodity exported to Haiti from the United States. From 1997 to 1998 the U.S. wheat flour exports to Haiti increased by almost 10%, from \$33.5 million to \$36.8 million. During the first five months of 1999 exports of U.S. wheat flour have decreased 13.6% over the same period in 1998 (from \$8.2 million to \$7.1 million). This is due largely because of production from the recently re-opened flour mill. (In 1997 the state-owned flour mill, known as the Minoterie d'Haiti, was privatized by the Government of Haiti and a majority share was purchased by a consortium of American and Haitian companies. The Minoterie was out of service for almost five years, but began production again in late 1998 under the name Les Moulins d'Haiti.) Total imports of wheat flour equal approximately 175,000 metric tons (MT), of which the majority is supplied from commercial sources. Both the U.S. and Canadian governments have aid programs under which approximately 40,000 MT per year of wheat flour had been shipped to Haiti. These shipments are being made in bulk wheat now that Haiti again has the capacity to mill and process wheat for local consumption at the Moulin d'Haiti. Imports of wheat flour from commercial sources may drop somewhat in the future if local production of flour from imported bulk wheat can meet consumer demand.

Data Table (in metric tons)

	1997	1998	1999 (e)
A. Total Market Size:	172,500	179,000	160,300

B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	172,500	179,000	160,300
E. Imports from the U.S.:	159,500	167,500	145,725

The above statistics are unofficial estimates based in part of data from the USDA's Foreign Agriculture Service.

Fats and Oils (HS 15)

Narrative

Soybean oil and non-soybean vegetable oils are the third largest dollar value U.S. agricultural exports to Haiti. In 1998 the export of U.S. (non-soybean) vegetable oil to Haiti marked a thirty year high, reaching \$15 million USD in value. From January to April 1999 U.S. exports of non-soybean vegetable oils to Haiti are up 46% over the same period in 1998, from \$4.6 million to \$6.7 million.

Data Table (Thousands of U.S. dollars)

	1997	1998 (e)	1999 (e)
A. Total Market Size:	47,180	50,000	52,000
B. Total Local Production:	-	-	-
C. Total Exports:	-	-	-
D. Total Imports:	47,180	50,000	52,000
E. Imports from the U.S.:	35,786	37,332	39,198

The above statistics are unofficial estimates based in part of data from the USDA's Foreign Agriculture Service and the Haitian Customs Administration.

Other Consumer Oriented Food Products

Narrative

The total market for U.S. consumer oriented food products increased over ten percent (10%) from 1997 to 1998, reaching a thirty year high of just over \$47 million USD. However U.S. exports of consumer food products during the period January-April 1999 have declined 16% from the same period in 1998. (Interestingly, U.S. exports of consumer food products during January-April 1998 had increased 29% over the same period in 1997.) This may indicate an overall reduction for U.S. consumer food exports to Haiti during 1999. However, several new supermarkets opened in Port-au-Prince during 1998, carrying a full selection of imported products that are marketed largely to middle and upper class Haitians. U.S. food products dominate the Haitian market and often availability of certain items is more compelling to the Haitian consumer than relative price. Convenience foods are very popular, and Haitian cuisine relies heavily on sauces, condiments, and spices.

Data Table (Thousands of U.S. dollars)

	1997	1998	1999 (e)
(All items are U.S. imports)			
A. Imports from the U.S.:	41,864	47,029	40,554
-- Poultry	14,371	18,495	23,628

-- Red Meats	2,726	4,957	2,040
-- Processed Fruit & Veg	5,843	4,044	1,509
-- Dairy Products	3,854	3,644	2,246
-- Breakfast Cereals	1,700	3,180	1,146
-- Fruit and Veg Juices	2,429	1,793	1,287
-- Snack Foods	2,010	1,303	873

The above statistics are unofficial estimates based in part of data from the USDA's Foreign Agriculture Service.

C. DATA TABLES

1. Production Growth

Real Sector (in percentage change)	1996	1997	1998	1999 (proj)
GDP (in 1976 prices)	2.7	1.1	3.1	2.2
Agriculture	1.8	-2.4	0.5	n.a.
Manufacturing	2.6	0.6	5.5	n.a.
Construction	5.0	11.5	7.7	n.a.
Services	1.8	0.5	1.2	n.a.

(Source: International Monetary Fund and Embassy Estimates)

2. Leading U.S. Exports

The following table summarizes the leading U.S. exports to Haiti for agricultural commodities as well as non-agricultural products.

(Amounts in thousands of dollars U.S.)

COMMODITY	1997	1998	1999 (Jan-Apr)
HS 10 CEREALS (RICE)	68,219	65,536	29,095
HS 61 KNIT APPAREL	50,971	62,962	29,679
HS 98 SPECIAL OTHER	37,080	48,767	26,241
HS 11 MILLING (WHEAT)	40,365	41,504	8,158
HS 62 WOVEN APPAREL	35,942	40,446	9,759
HS 15 FATS AND OILS	35,786	37,332	19,055
HS 84 MACHINERY	28,422	27,637	8,672
HS 87 VEHICLES	26,124	26,531	6,589
HS 85 ELECTRICAL	19,331	22,839	11,257
HS 02 MEAT	17,016	22,331	8,338
HS 07 VEGETABLES	9,437	15,139	2,838
HS 63 MISC TEXTILE	11,417	12,611	3,596
HS 39 PLASTIC	10,602	9,915	3,386
HS 44 WOOD	8,320	7,558	2,397
HS 48 PAPER/PAPERBOARD	7,816	9,098	2,450
TOTAL U.S. EXPORTS	499,000	548,000	575,000 est.

Source: U.S. Department of Commerce Statistics

D. MAJOR INVESTMENT OPPORTUNITIES

Several major investment opportunities exist in Haiti within the transportation, communication, and electric power industries. As part of an

effort to modernize public enterprises and improve the infrastructure in Haiti, the ownership and management of key industries will transition from public to private. Four state-owned companies present the greatest opportunity, in terms of size and importance, for potential investors: TELECO (telephone), APN (port authority), AAN (airport authority), and EDH (electric). A calendar has been established for the transition of these industries, and the Haitian government is currently seeking suitable investors. The Haitian government hopes to finish privatizing these enterprises in late 1999 or early 2000. (Interested companies should send a letter of intent and a statement of corporate capabilities to: Council for the Modernization of Public Enterprises, The National Palace, Port-au-Prince, Haiti. The Council can be contacted by telephone using the following numbers: 509-22-4111, 22-5946, and fax number 22-7761.)

Franchising represents an excellent means by which American companies can establish market presence in Haiti. As noted in chapter 4, nearly ten American companies already have established franchises or affiliated local partners in Haiti. Haitian consumers have a familiarity and affinity for U.S. products, and many Haitian entrepreneurs are interested in establishing partnerships with American companies. Opportunities exist for joint venture projects, and through association with a local partner an American business can limit risk while maximizing product exposure. Haiti has proved to be receptive to service and food-oriented franchises, and the Commercial Service plans to build upon Haiti's successful record in the franchising sector during the coming year to help increase interaction between U.S. franchise firms and potential partners in Haiti.

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60% of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, investment treaty negotiations and business facilitation programs, that support U.S. investors. In Haiti, the OPIC facility is managed by the in-country CITIBANK branch office, located in Port-au-Prince. In addition, the Government of Haiti signed a new investment agreement with OPIC in June 1998 clarifying the lending rules applicable to all OPIC-funded projects in Haiti.

CHAPTER VI. TRADE REGULATIONS AND STANDARDS

1. Trade Barriers, Including Tariff and Non-Tariff Barriers

Import tariffs charged under Haitian law are enumerated in subsequent sections of this chapter. Perhaps the only significant non-tariff barrier confronting American exporters relates to the cost of shipping goods through Haiti's state-owned international seaports. The largest international port in Haiti is located in Port-au-Prince, which reportedly has the highest user fees in the hemisphere. While this facility is scheduled to be privatized by the government before the end of 1999, a reduction in port user fees will probably not occur until the physical infrastructure is upgraded and internal management is improved.

2. Customs Regulations

Haiti's customs regulations were updated most recently in 1987. Since then the Haitian government has issued several decrees, published in the official registry, modifying the level of customs duties on virtually all products. The most significant such decree was issued in March 1995, and effectively lowered all customs duties on a temporary basis until comprehensive new regulations could be promulgated. As of July 1999 the Haitian government has not issued new customs regulations superceding the existing 1987 code.

In terms of the basic regulations governing the import and export of commodities, listed below is a summary of documentation that is required by the Haitian government:

For import the documentation requested by customs includes:

- the bill of lading signed by the captain or his delegate.
- the import permit (import license depending on the product category).
- the original invoice for the goods.

The bill of lading must include:

- the name of the vessel (sea freight); the identification number (air freight).
- the name of the shipping company.
- the ports of origin.
- the ports of destination.
- the complete manifest of the cargo and the volume on which the freight calculation was based.
- the nature of the merchandise (not necessary if the merchandise is in bulk).

For export the documentation requested by customs includes:

- export permit from the Ministry of Commerce.

3. Tariff Rates

Most commodities imported from abroad into Haiti are subject to payment of customs duties and other taxes. The value of imported goods, either FOB or CIF, is converted into Haitian Gourdes at the prevailing daily rate, prior to the application of duties and taxes. All duties and taxes are payable to the Haitian Customs Administration. Any cargo vessel (sea, air, or land) coming to Haiti, loaded or unloaded, must present to Haitian Customs upon arrival a bill of lading in four originals signed by the captain. Customs valuation is based on:

- a) **the cost of the goods**
 - original invoice from the country of origin.
 - If customs will not accept the invoice, blue book value will be used to set the price (this is almost always the case for cars, trucks, and other vehicles).
- b) **insurance cost**
 - varies according to insurance company; customs generally accepts the cost.
- c) **freight cost - including port charges**
 - varies according to shipping company; customs generally accepts the cost.

Haiti's government has taken some positive steps in the recent years toward lowering their overall customs tariff rates. Tariff rates are levied on the FOB or CIF value of the goods at the port of entry. In March 1995, a law was enacted providing for the temporary lowering of duties on goods imported into Haiti. Such duties range from 0-15% CIF (previously 0-40%). Tariffs on some major imports are as follows: flour - exempt; sugar - 3%; cement - 3% (clinker is exempt). Draft legislation has been prepared following an agreement with international financial institutions that once enacted will further reduce tariffs on all products to one of three applicable levels: 0%, 5%, or 10%.

4. Import Taxes including Value Added Taxes, Purchase Taxes, Uplifts and Surcharges, and Provincial Taxes

There are no fewer than five fees and taxes levied on commodities imported to Haiti. These include:

- **Verification Fee:** 4% of FOB value of imports
- **Acompte:** a newly established tax. A deposit of 2% on CIF value of imported goods and deductible from the income tax. Importers who are current on payment of income tax pay 1% on CIF value of imported goods.
- **Value-Added Tax (TCA):** 10% of ex-customs value of imported goods. The ex-customs value is calculated by adding the CIF value to the amounts charged for verification fees and customs duties. TCA is not applied to petroleum products, agricultural inputs and equipment, pharmaceuticals, school materials, and raw materials for assembly to be re-exported.
- **Excise tax:** 10% ex-customs on imported cars of or over 2200CC; 90% CIF on gasoline; 40% CIF on diesel oil; 30% CIF on kerosene; 2% CIF on fuel oil; 2% CIF on lubricants; and 3% CIF on aviation fuel.
- **CFGDCT:** the Contribution to Management Funds for Territory Collectivities which is applied at the rate of 2% on all imports except petroleum products, pharmaceuticals, parcel posts, food products, agricultural inputs and paper.

There are additional taxes levied for the importation of new cars ranging from 5-20%. Used cars pay a "tourist tax" of 10% CIF value. Passenger transportation vehicles for over 25 passengers, and trucks over 2 tons are exonerated. Pick-up trucks under 2 tons have a 5% levy.

5. Import License Requirements

Licenses from the government are not required for importing most products. Import permits are required for firearms and pharmaceutical products. In addition government regulates the importation of petroleum products.

6. Temporary Goods Entry Requirements

As mentioned above, all imports are subject to verification fees and to administrative costs. However, a uniform rate of 0.25% is established for goods entering under diplomatic concessions and those that are designated for "temporary entry."

7. Special Import/Export Requirements and Certifications (Health, Pharmaceuticals, and Pre-Shipment Inspection)

Imports of pharmaceutical products are subject to an import permit from the Ministry of Commerce and Industry. In addition pharmaceutical products are subject to a sanitary registration which is required by the Ministry of Public Health and is applicable to all drug products being imported into Haiti. The Ministry of Health requires information regarding clinical studies, toxicology, and pharmaceutical certifications obtained from the country of origin. The Ministry of Health also requires three product samples for each drug to be imported.

8. Labeling Requirements

There are no labeling requirements for products entering Haiti.

9. Prohibited Imports

Import of weapons, waste, food, and agricultural products must have the approval of the government. The list of prohibited products is available at the Ministry of Commerce and Industry. NOTE: According to a 1962 law passed by the Haitian parliament, it is illegal for Haitian citizens to import used clothing into Haiti.

10. Standards

The Haitian government has indicated its desire to implement a regime of trade, safety, and security standards. The National Institute of Standards and Technology (NIST) within the U.S. Department of Commerce visited Haiti

in 1998 to assist the Ministry of Commerce and Industry toward this goal. In addition, the United Nations Industrial Development Organization has taken steps toward assisting the government of Haiti in implementing a standards regime in compliance with international agreements. At present, the Haitian government has only a limited ability to monitor and enforce standards in trade and commerce.

11. Free Trade Zones/Warehouses

Haiti does not presently have any duty-free enterprise zones or free ports. Legislation has been drafted to create enterprise zones, duty free zones, and a "one-stop" office for foreign investors to obtain customs clearances and expedite other necessary paperwork. This draft legislation will have to be enacted before any trade zones can be established. Elections to reconstitute Haiti's parliament are scheduled for late 1999.

12. Membership in Free Trade Arrangements

Haiti is not a member of any free trade arrangement, though in early July 1999 the fourteen member nations comprising the Caribbean Common Market (CARICOM) voted to include Haiti as the fifteenth member of CARICOM. Haiti's parliament, once reconstituted, must vote to ratify this membership. In addition, Haiti benefits from two preferential trade programs as outlined below.

Caribbean Basin Initiative (CBI)

Approximately 3,500 Haitian export products are eligible for duty-free entry into the U.S. under the CBI. However, most textiles are excluded, with the exception of those made from linen or silk, or qualifying as craft work. Also excluded are certain watches and watch parts, petroleum and its by-products, prepared or canned tuna, sugar, molasses, syrup, beef, spirits, and footwear.

Products must be shipped directly from Haiti to the U.S. to qualify for CBI entry. The products may incorporate imported components as long as the goods exported to the U.S. are a new merchandise product distinct from such components, and the Haitian direct costs of production (including domestic raw materials and those originating in other CBI beneficiary countries, including Puerto Rico and the U.S. Virgin Islands) must amount to at least 35% of the customs value. Materials of U.S. origin may be included up to a maximum of 15% of the customs value.

Eligible articles assembled or processed from U.S. materials, components or ingredients are accorded duty free access into the U.S. regardless of whether such articles satisfy the 35% value added criterion.

NOTE: While not yet signed into law as of July 1999, once approved by the U.S. Congress the Caribbean Basin Trade Enhancement Act will provide preferential tariff treatment to CBI member countries (including Haiti) comparable to the provisions contained in the North American Free Trade Agreement.

The Lome Convention Trade Advantages

On December 15, 1989, Haiti signed the fourth Agreement on Common Preferences (ACP)/EEC Lomé Convention under which products originating from Haiti and more than 68 ACP countries are exempt from import duties or equivalent taxes upon entry to the EEC. Certain agricultural products, such as rum, bananas and sugar are subject to import quotas. Other products must comply with specific import regulations. Primary export products benefit from a price insurance fund called Stabex, part of a system created to compensate for losses due to world price fluctuations.

The exporter must obtain a proof of origin called a certificate of circulation of goods (Form Eur.1). The certificate is issued by the customs officials of the exporting country. It must then be sent to the customs authorities of the importing country within 10 months of delivery date.

13. Customs Contact Information

American exporters seeking information on Haitian tariffs and customs administration should first contact the Commercial Service in the American embassy (telephone 011-509-222-0200). Information on how to contact Haiti's government customs offices is located in Appendix D, "Haitian Government Contacts."

CHAPTER VII. INVESTMENT CLIMATE

1. Openness to Foreign Investment

Haiti's openness to foreign investment is codified in its laws, and President Preval has repeatedly stated the GOH's interest in attracting foreign investment. Earlier in the Preval presidency, the GOH expressed its commitment to modernizing its investment, commercial, banking and tax codes to encourage foreign investment. These plans have not been realized because the parliament never acted on those pieces of legislation. On 11 January 1999, Haiti's parliament ceased to function. Elections, which would reconstitute parliament, are currently planned for late 1999.

Haiti has no economic or industrial strategies with discriminatory effects on foreign investors. Import and export policies are non-discriminatory with regard to nationality.

The GOH has made several commitments to the world trade organization in the financial services sector. These include allowing foreign participation in deposit taking, lending, guarantees and commitments; in financial leasing; in underwriting services, including participation in the issuance and placement of securities; and in advising and auxiliary services for each of the above services.

The tax code includes a withholding tax provision that discriminates against foreign investors. Foreign companies are subject to an additional levy of 30 percent on profits as a final tax on deemed distributions to foreign shareholders, whereas local firms are subject to only a 15 percent withholding tax on distributions. The government has committed itself to removing that provision, although this requires further administrative action.

The Haitian banking system is open to the entry and operation of foreign banks. At present, there are two foreign banks operating in Haiti: Citibank and Scotiabank.

Privatization

Haiti's October 1996 legislation concerning the modernization of public enterprises foresees the future participation of foreign investors in the management and/or ownership of Haiti's state-owned enterprises. In 1998 U.S. companies Seaboard and Continental Grain purchased the state-owned flourmill with other investors. They are part owners of the newly-rechristened "Les Moulins d'Haiti" with the government of Haiti and Unifanance being the other major shareholders. In 1999, a consortium of Colombian and Swiss investors purchased a majority stake in the cement factory. The airport, seaport, and telephone company could be privatized by the end of the 1999, with the electric company to follow. Two state-held banks and an edible oil plant may also be privatized. Privatization of the cement plant and flourmill should have occurred in 1997, with the rest of the entities privatized during 1998, but the 20-month absence of a prime

minister significantly delayed the process.

A modernization commission (CMEP) was established to choose among management contract, concession, or capitalization for each of the companies to be privatized. Selection of the private sector investor is to be made through international competitive bidding. Some of these companies may present opportunities for U.S. investment.

Non-Governmental Views of Foreign Investment

There has been some opposition to the GOH's privatization plan within the governing Lavalas coalition, with some popular organizations and public employees claiming the GOH is "putting the country up for sale." Employees' unions at the enterprises have also expressed dismay at the probable workforce reductions that would accompany the privatizations. In the population at large there has been no significant opposition to foreign investment in Haiti. Most Haitians would welcome foreign investment -- particularly if jobs were to be created.

Investment Incentives

Haiti offers several customs, tariff and other advantages under the industrial investment code. Specific benefits are a function of the firm's location and the market for which it produces. Before its mandate lapsed in 1998, the Presidential Commission on Economic Growth and Modernization prepared a new investment code for GOH consideration. This has not been enacted.

Investments Requiring Special Government Authorization

Investments related to electricity, water, and telecommunications, which are state-controlled activities, require government concession and approval. Prospecting, exploration and exploitation of mineral and energy resources require concessions and permits from the office of mining and energy, as natural resources in general are considered to be the property of the state.

2. Conversion and Transfer Policies

There are no restrictions or controls on foreign payments or other fund transfer transactions, nor is there anything to indicate that this policy might be changed.

Foreign exchange is freely and readily available. Banks and exchange houses are free to set their own exchange rates. The central bank publishes a daily reference rate that is a weighted average of exchange rates offered in the formal and informal exchange markets.

Exchange Rate Trends

The exchange rate stabilized in the range of 15 to 17 Gourdes to the dollar for most of 1998. Despite a significant degree of political and economic instability and uncertainty, the outlook is for the Gourde to remain stable provided the country continues to receive expected levels of budgetary and project support from the international community, as well as remittances from Haitians living abroad.

3. Expropriation and Compensation

The constitution of 1987 permits expropriation only for public use or land reform, and requires payment in advance of just compensation as determined by an expert. If the initial project for which the expropriation occurred is abandoned, the constitution stipulates that the expropriation will be annulled and the property restored to the original owner. The constitution prohibits nationalization and confiscation of real and personal property for

political purposes. Haiti does not have a history of expropriation per se, however, the embassy has been approached by a large U.S. company within the last year with at least one reported case of "illegal" expropriation with insufficient compensation.

Over the last 25 years there have been a number of property disputes involving U.S. citizens. The majority of these are private disputes and not instances of expropriation. However, the embassy is engaged in several cases (fewer than 10) that may involve expropriations of property owned by U.S. citizens or corporations.

The Haitian government is currently implementing a policy regarding the use of arable land that may ultimately involve expropriation with proper compensation of agricultural properties currently in private hands. However, heretofore the agrarian reform project has been controversial among Haitian and U.S. property owners alike. The embassy has received several complaints from individuals who claim not to have been compensated for the loss of their property.

4. Dispute Settlement

There are several ongoing private disputes between U.S. and Haitian entities. Americans seeking resolution of these disputes often have been hindered by Haiti's slow, inefficient courts and its antiquated legal system, but there is no indication of widespread official GOH collusion in blocking the resolution of these cases. However, allegations persist that corrupt GOH officials have used their offices to obtain a favorable resolution or for personal profit. The GOH recognizes the structural weaknesses of its judicial and police systems and, with help from the international community and the USG, is working to establish a credible, effective judiciary and police force. With the cooperation of the Haitian private sector, the GOH has expressed its commitment to comprehensive reform of its commercial, investment and financial codes.

The protection and guarantees that Haitian law extends to investors are severely compromised by weak enforcement mechanisms, a poor judicial system and an antiquated legal system. Business litigants are often frustrated in their efforts to obtain relief. In addition, commercial litigation entails certain risks. Bonds to release assets frozen incident to litigation are unavailable, and judges sometimes inflict their biases against commercial litigants through the application of "public order" policy concepts. The embassy has received reports from litigants that endemic corruption allows parties to disputes to purchase favorable outcomes.

Haiti's commercial code dates from 1826 and underwent its last significant revision in 1944. There are few results-driven commercial remedies available in the law. Injunctive relief is based on penal sanctions rather than on securing the civil action desired. Similarly, contracts to comply with certain obligations, such as commodities futures contracts, apparently cannot be enforced for their economic objectives (though the resistor might wind up in jail). Judges are not specialized, and knowledge of commercial law is an area where most judges are noticeably deficient. Working through the Haitian courts is a lengthy process and cases often go on for year, and for this reason many disputes are settled out of court.

USG and GOH efforts currently focus on improving Haiti's legal system by training of judges and other judicial personnel. Through the Presidential Commission on Growth and Modernization (whose mandate lapsed in 1998), the GOH had been committed to reforming its commercial, investment and financial codes; drafting new patent and trademark laws; introducing legislation on loans and guarantees; and developing legal regimes for credit institutions, capital markets, savings, and other financial services. Government contacts report that all of these pieces of legislation will have to begin the entire legislative process all over again once the parliament is reconstituted.

Bankruptcy

Haiti's bankruptcy law dates from 1826 and was last modified in 1944. The three phases of bankruptcy are: 1) cessation of payments, leading to the declaration of bankruptcy; 2) rendering of a bankruptcy judgment, which transfers from the debtor to the director of revenue the right to administer the assets (in this phase the assets are sealed, and the debtor is confined to a debtors prison); and 3) liquidation of assets and payment of verified debts. In practice, the above measures are seldom applied and since 1955 most bankruptcy cases have been settled through the courts. Debts are normally paid in local currency.

Secured Interests

Although the concept of mortgage (including chattel mortgage) exists, mortgages on real estate entail antiquated procedures and may fail to be recorded against the debtor or other creditors. In practice, property is seldom purchased through a mortgage. Secured debt is difficult to arrange or to collect -- liens are virtually impossible to impose and foreclosure through the judicial system is time consuming and nearly always futile. Banks frequently require that loans be secured in U.S. dollars.

Binding International Arbitration

Disputes between foreign investors and the state can be settled either in the courts or through international arbitration, though claimants must select one or the other. A claimant dissatisfied by the ruling of the court cannot shift the dispute to international arbitration. The priority of law in Haiti (in descending order) is the constitution, international agreements and internal legislation. Foreign court decisions are not enforceable in Haiti, but Haiti is a signatory to the 1958 United Nations convention on the recognition and enforcement of foreign arbitration awards, which provides for the enforcement of an agreement to arbitrate present and future commercial disputes. Under the convention, courts of a contracting state can enforce such an agreement by referring the parties to arbitration. Haiti is not a signatory to the Inter-American-U.S. convention on international commercial arbitration of 1975 (the Panama convention).

Membership in the ICSID

Haiti signed the 1966 convention on the settlement of investment disputes between states and nationals of other states (ICSID), but has not yet ratified the convention.

5. Performance Requirements/Incentives

Haitian law provides for equal treatment for firms manufacturing a given product for the local market, and offers the same advantages to both individuals and firms -- without regard to nationality -- engaged in a productive activity in Haiti. There are numerous special status categories for certain types of investment in industries and crafts designated as priorities or strategic enterprises.

The investment code creates a privileged status for certain manufacturers in order to direct investment to specific industries. Eligible firms benefit from customs, tax, and other advantages under the industrial investment code. Following an income tax holiday ranging from 5-15 years, the percentage of corporate income taxed rises in 15-20 percent increments. To take advantage of this statute, the industrial or crafts-related enterprise must meet one of the following criteria:

- makes intensive and efficient exploitation of available local resources (i.e. more advanced processing of existing goods, recycling

of recoverable materials).

- increases the national income.
- creates new jobs and/or upgrades the level of professional qualification.
- reinforces the balance of payments position and/or reduces the level of dependency on the national economy.
- introduces new techniques or new technology more appropriate to local conditions (i.e. resort to non-conventional sources of energy, labor intensive production).
- develops backward or forward links (i.e. processing local materials to supply capital goods, semi-finished products, or packaging for existing production units).
- conforms with the guidelines of projected production of the national economic and social development plan.
- meets the requirements for the level of integration of manufactured product(s).
- orients production toward export.
- substitutes a new product for an imported product, provided that the new article shows a quality/price ratio considered acceptable by the appropriate entity and comprises a total production cost of at least 60 percent of the value added in Haiti, including the cost of local inputs used in its production.
- prepares, modifies, assembles or finishes products imported in bulk, loose parts, or components for finished goods that will be exported.
- provides direct costs of production (labor and its supervision) equaling at least one third of investments in imported capital goods and at least 15 percent of the total production cost.

A firm's location in Haiti and the market for which its products are intended (local or export) also affect its eligibility for specific benefits.

Prior to dissolution of parliament, the investment code was under revision and drafting had proceeded quite far. In the draft of the new code, incentives would have been more targeted toward exports and activities which utilize local resources, create employment, and encourage technology transfer. It is possible that similar text will be presented to a reconstituted parliament.

Companies enjoying a tax exemption are required to submit their financial statements annually. Fines and revocation of tax advantages may be assessed to firms that do not comply with this provision. In the event of a dispute, the revenue code offers protection against arbitrary actions of any kind, and provides legal recourse for the taxpayer.

A progressive tax system applies to income, profits and capital gains received by individuals and artificial persons not exempt from taxation under the industrial investment code. Tax rates on corporate income (in Gourdes) currently stand as follows:

Income (Gourdes)	Rate
1 to 20,000	10%

20,001 to 100,000	15%
100,001 to 250,000	20%
250,001 to 750,000	30%
Over 750,000	35%

Tax rates on individual income (in Gourdes) currently stand as follows:

Income (Gourdes)	Rate
1 to 20,000	0%
20,001 to 100,000	10%
100,001 to 250,000	15%
250,001 to 750,000	25%
Over 750,000	30%

As with the investment code, a revised tax code was under preparation that would have aligned the corporate and personal tax laws. This revised tax code may be introduced to Haiti's parliament after elections are held to reconstitute the legislative body.

Residence or Visa Requirements for Foreign Investors

Haiti does not impose discriminatory requirements on foreigners wishing to invest in Haiti. Haitian law on residency and employment is based on reciprocity. Foreigners residing legally within Haitian territory and wishing to engage in trade enjoy -- within the framework of laws and regulations -- the same rights granted to Haitians involved in the same profession in the foreigner's country of origin. However, Article 5 of the Decree on the Profession of Merchant reserves the exercise of the profession of manufacturer's agent for Haitians.

A foreigner wishing to obtain a residence visa to do business in Haiti must deposit 50,000 Gourdes in a blocked account at the Bank of the Republic of Haiti. A professional identity card, issued by the Ministry of Commerce, is required in order to engage in business. Transient businessmen and those on a temporary stay in the country must be accompanied by locally licensed agents when visiting clients or soliciting business.

Foreigners working in Haiti are subject to certain property restrictions. Under current law, foreigners (except foreign corporations) may not own more than one residence in the same district nor own real estate without authorization from the Ministry of Justice. Land holdings of foreigners are limited to 1.29 hectares (almost 3 acres) in urban areas and 6.45 hectares (almost 1.29 hectares) in rural areas, and foreigners may not own property or buildings near the border. Foreigners who establish Haitian corporations with corporate offices located in Haiti are not subject to property restrictions.

6. Right to Private Ownership and Establishment

Investors in Haiti may utilize the following legal forms of business: sole proprietorship, limited or general partnership, joint-stock company, public company (corporation), subsidiary of a foreign company, co-operative society. The most commonly used legal form is the corporation.

Foreign investors are permitted to own 100 percent of a company or subsidiary. Such a company or subsidiary, being a legal Haitian entity, enjoys all the rights and privileges provided by the law.

Foreign investors are permitted to operate their businesses without equity/debt ratio requirements. The accounting law permits foreigners to capitalize tangible and intangible assets in lieu of cash capital investment.

Foreigners are free to enter into joint ventures with Haitian citizens. Although distribution of shares is a private matter between the two partners, the sale and purchase of company shares is regulated.

Entrepreneurs are free to dispose of their properties and to organize production and marketing activities in accordance with local laws.

7. Protection of Property Rights

Intellectual Property

Haitian law protects copyrights, inventions, patent rights, industrial designs and models, special manufacturers marks, trademarks, and business names. The law provides penalties for infringement, fraud and unfair competition. The law prescribes certain formalities to be observed in order to ensure protection of these rights, including legal filing with the Ministry of the Interior. The Constitution recognizes certain intellectual property rights, and Article 38 stipulates that scientific, literary and artistic property are protected by the law.

Weak enforcement mechanisms, inefficient courts, and judges' poor knowledge of commercial law dilute the effectiveness of the statutory protections. Moreover, injunctive relief is not available in Haiti, so the only way to force compliance (should it become necessary) is by imprisonment of the offender.

Haiti is a signatory to the Buenos Aires Convention of 1910 and the Paris Convention of 1883 with regard to patents, and to the Madrid Agreement with regard to trademarks, but is not a signatory to the Bern Copyright Convention.

Real Property

Real property interests are handicapped by the lack of a comprehensive civil register. Proper titles to real property are often non-existent; where they do exist, they are often in conflict with other titles to the same property. During 1998 and 1999 the embassy received an increasing number of reports of fraudulent and fraudulently recorded land titles. The concept of mortgage exists, but mortgages on real estate involve antiquated procedures and may fail to be recorded against the debtor or other creditors.

8. Transparency of Regulatory System

Haitian law is deficient in a number of areas, including operation of the judicial system; organization and operation of the executive branch; publication of laws, regulations and official notices; establishment of companies; land tenure and real property law and procedures; bank and credit operations; insurance and pension regulation; accounting standards; civil status documentation; customs law and administration; international trade and investment promotion; foreign investment regime; and regulation of market concentration and competition. Although these deficiencies hinder business activities, they are not specifically aimed at foreign firms and appear to have an equally negative effect on foreign and local companies. (However, see section 11 on Corruption regarding the apparent discriminatory effect on foreign companies of a corrupt legal system.)

Tax, labor, and health and safety laws and policies are theoretically universally applicable, but are not universally applied or observed, and seldom enforced. Many in the private sector provide services (such as health care) for their workers that are not provided by dysfunctional state agencies.

Bureaucratic procedures are not uniform and frequently involve excessive red

tape.

9. Efficient Capital Markets and Portfolio Investment

Free Flow of Financial Resources

The free flow of financial resources is constrained by difficulties in obtaining financing. Access to credit is restricted by the difficulty in assessing client risk and the lack of legal remedies for the lender in event of default, although there is legislation under preparation to facilitate liens on moveable property. Lack of a civil register, the frequent absence of proper titles, and problems with creating security interests pose additional institutional problems. As a result, banks lend only to their most trusted and credit-worthy clients. USAID also underwrites a micro-credit program.

Credit

There are no legal limitations on foreigners' access to domestic credit markets. Credit is allocated on market terms.

Available Credit Instruments

Commercial bank loans are available at prevailing market rates.

Legal, Regulatory and Accounting Systems

Haitian laws do not require external audits of domestic companies. Local firms keep various sets of books for use in matters such as calculating taxes, obtaining credit or insurance, preparing for regulatory review, and assessing real profit and loss. Accountants use a set of basic accounting standards set by the local accounting organization, but these standards are below those uniformly or commonly applied in international commerce and investment.

Practices are markedly better in the banking sector. The GOH has expressed its commitment to strengthening its prudential norms in the banking sector, as well as to improving bank supervision. Under Haitian law, banks are not required either to comply with internationally recognized accounting standards, or to be audited by internationally recognized accounting firms. The Central Bank requires only that commercial banks be audited. Nonetheless, the private banks are in compliance with international accounting norms and follow international norms for consolidated reporting.

The Haitian banking system has not suffered from a significant liquidity crisis in the past ten years. Haitian bankers' tendency to restrict their lending to a relatively small group of well-known clients has helped to limit the incidence of non-performing loans. The lack of deposit insurance in Haiti has in the past been partially compensated for by high reserve requirements, which effectively sequestered funds that could be used to pay depositors in the event of a bank failure. However, Central Bank reserve requirements have dropped from more than 50 percent to a current level of 20 percent. This has taken place in conjunction with the issuance of government bonds bearing market rates of interest to replace non-remunerative reserve requirements.

The U.S. Embassy is not aware of any restrictions on foreign investment through mergers and acquisitions.

Inasmuch as Haiti has no stock market, there would appear to be little means for unwelcome investors to purchase shares in a corporation.

10. Political Violence

Despite the political uncertainty that has characterized Haiti since its independence, there is no history of political groups deliberately targeting foreign projects and/or installations. Investment losses caused by Haiti's political instability almost invariably are the result of an inability to conduct business in a normal fashion. Civil disorder linked to politics, in the form of demonstrations or general strikes, still interrupts business activities. During the first six months of 1999, a succession of demonstrations and riots and a general lack of security have affected intermittently the private sector's ability to conduct normal business operations. When U.N. police and U.S. military support group forces are withdrawn from Haiti, there is a possibility of increased insecurity generally in the country, but there is little reason to assume that foreign-owned assets would be targeted. Land invasions by landless peasants are a crippling problem in both urban and rural areas.

11. Corruption

The issue of corruption is addressed by Haiti's 1987 Constitution, by the civil service law, and by the 1835 penal code. Giving or accepting a bribe is a criminal act punishable by one to three years' imprisonment. However, this penalty has seldom, if ever, been applied. The penal code is silent on the issue of bribes to foreign officials. There is no provision in the tax code for tax deductibility of such payments. The public administration in general is responsible for combating corruption. Prosecutions would be through the regular justice system. Press reports have contained allegations of corruption involving misappropriation of funds and other malfeasance on the part of government officials, but post is not aware of any active prosecutions or recent convictions for such offenses.

U.S. firms have sometimes cited corruption as an obstacle to direct investment. Corruption among customs officers does pose a problem because petty bribes are allegedly necessary on occasion to clear shipments expeditiously. Some importers also reportedly "negotiate" customs duties with inspectors. Smuggling has become a major problem, with contraband accounting for a large percentage of the market for manufactured consumables.

The embassy has only anecdotal evidence of corruption in the fields of procurement, transfers, performance requirements, or regulation. Lack of transparency remains a major problem. Corruption in the legal system may be a crucial factor in dispute settlement. The legal system is inadequate, unresponsive, and slow. The level of legal education and training is often deficient, and salaries are low. Means to enforce contracts and/or legal judgments are lacking. The embassy has received allegations of biased treatment of foreign investors or corporations by the Haitian courts. Judges may be influenced by longstanding ties of business or friendship, family relationships, or bribes either to take action unfavorable to a foreign plaintiff, or to take no action at all.

President Preval has spoken repeatedly on the importance of eliminating corruption. In June 1999 a state secretary position was created to oversee both the tax and customs duty collection. The state secretary announced that he would work to combat contraband and corruption.

12. Bilateral Investment Agreements

Haiti has signed treaties and/or conventions with the U.S. (1953, 1983), France (1973, 1984), Germany (1975) and Canada (1980) for mutual investment protection, and has declared itself willing to enter into such agreements with other capital exporting countries. The treaty signed by the U.S. and the GOH in 1983 has not yet been ratified by the U.S. Senate.

13. OPIC and Other Investment Insurance Programs

OPIC offers insurance and financing programs for investments in Haiti, and offers an on-lending facility through Citibank. In addition the GOH has ratified and completed its ascension to the World Bank's Multilateral Investment Guarantee Agency (MIGA) which can now operate in Haiti.

14. Labor

The majority of Haiti's labor force is composed of unskilled workers. With an effective adult illiteracy rate of at least 65 percent, Haiti's workforce is largely concentrated in agriculture, light manufacturing and general services.

Labor-management relations have at times been tenuous but a Tripartite Commission composed of representatives from labor, management and government provides a forum in which to resolve differences. The assembly industry has established its own voluntary code of ethics to achieve good labor practices. The Tripartite Commission has investigated the assembly firms and found widespread compliance with local labor laws.

The labor movement was devastated by the unemployment that resulted from the embargo imposed in 1993 and 1994. It was also damaged by the perception on the part of some workers that politically active unions accelerated the closure of factories. Since the return of President Aristide, organized labor has been pragmatic in its approach, focusing its efforts on job creation, civic education and trying to build bridges with employers. The labor movement is generally receptive to investment that promises new jobs.

15. Foreign Trade Zones/Free Ports

Duty free status has been legislated for selected assembly sector enterprises (those where 100% of imported materials are re-exported). Several new trade zones are planned, however legal experts differ on whether current legislation allows for the creation of these zones. Some investors who have attempted to create such zones allege that political connections dictate who can receive permits and licenses to build trade zones. It is generally agreed that provisions of the new commercial code (which could be re-presented before a reconstituted parliament) would clarify the situation.

15. Foreign Direct Investment Statistics

The imposition of OAS trade sanctions in 1991, followed by the imposition of a comprehensive UN trade embargo in 1994, led to significant foreign disinvestment during the last five years. Since the lifting of the international sanctions in October 1994, new direct foreign investment has been extremely limited.

Since October 1995, Texaco has invested approximately USD 20 million, Shell has invested more than USD 6.3 million, and Esso has plans (unless their plan are rejected by the Haitian government) to invest USD 10 million from 1999 to 2003. ELF, the French petroleum company, has invested close to USD 9 million since 1995. Royal Caribbean cruise lines plans to invest USD 9 million to upgrade their Labadie beach facility located on Haiti's northern coast outside the city of Cap Haitien.

Breakdowns of direct foreign investment by country of origin and sector are not available. There are no statistics on total investment.

16. Major Foreign Investors

American Airlines
American Rice Corporation
Citibank
Compagnie De Tabac (Luckett Inc.)
Continental Grain

Esso (Exxon)
Seaboard Marine
Texaco
Western Wireless

OTHER COUNTRIES:

Club Mediteranee (uncertain to reopen for the 1999-2000 season)
Elf
Royal Caribbean
Scotiabank
Shell

In addition, there are several light manufacturing ("assembly sector") plants, collectively employing thousands of workers, owned by U.S. citizens resident in Haiti, or operating as subsidiaries of U.S. manufacturing companies. These firms cannot be considered major investors, since they generally occupy leased facilities, and capital investment is often limited to sewing machines and office equipment. There are also some smaller agribusiness enterprises and hotels partly owned by U.S. citizens.

CHAPTER VIII. TRADE AND PROJECT FINANCING

1. Brief Description of Banking System

The Haitian financial sector consists of eight commercial banks, concentrated in the Port-au-Prince area. There are eight locally incorporated banks (Promobank, Unibank, Banque de l'Union Haitienne, Sogebank, Socabank, Inter-Continental, Capital Bank and the very small Banque Industrielle et Commerciale d'Haiti) and two foreign banks (Bank of Nova Scotia, Citibank). There are also two state banks (Banque Populaire Haitienne and Banque Nationale de Credit), a private development finance institution (SOFIDES), and two mortgage banks (BCI and Sogebel).

These banks offer a full range of banking services (demand deposits, checking services, savings and time deposits, purchase and sale of foreign currency, opening and amending of letters of credit, safety deposit services, bid and performance bonds for bidding competitions, discounting of commercial paper, warrants, lines of credit, etc.). Citibank runs the GSM program - a program offering credit guarantees for agricultural exports from the U.S. Citibank also runs the OPIC facility which offers loans to Haitian and American business enterprises for investment in Haiti.

Foreign banks, like other foreign corporations, are subject to a 30 percent withholding tax imposed on assumed repatriations of 100 percent of profits in addition to the corporate income tax. The GOH is committed to repeal this discriminatory tax. There is no bond or securities market and no available equity financing. Ongoing macroeconomic uncertainty limits the attractiveness of Gourde denominated saving accounts and certificates of deposit. Dollar accounts including certificates of deposit are available, and approximately 30 percent of the banking system deposits are in dollars. Long term financing is constrained by the short-term structure of deposits.

The Bank of the Republic of Haiti (BRH), an autonomous government agency, functions as Haiti's Central Bank, and as such is charged with:

- advising the government in matters of monetary policy;
- regulating the money supply;
- administering and managing exchange reserves;
- controlling and directing the distribution of credit;
- issuing banknotes, minting coinage and creating representative money;
- providing all appropriate services as banker for the government;
- recording public debt transactions, and;
- administering the activities of the clearinghouse for inter-bank payments.

Reserve requirements in the banking system have been progressively lowered since 1996 from 53% to 25%. In place of higher reserve requirements, the Central Bank issues bonds bearing market rates of interest to commercial banks. As a result of the lower reserve requirements and a more flexible monetary policy, credit to the private sector has increased, but borrowing is still constrained by the commercial bank loan rates over 20%. The Central Bank has rediscount and lending facilities for the commercial banks, and there is an active inter-bank market as well.

Commercial and mortgage banks are required to hold legal reserves in the form of currency or deposits at the Central Bank. The reserve requirement is calculated on a daily basis and different reserve ratios are applied to each type of institution. Since March 1997 the BRH has applied a 12 percent reserve requirement on foreign currency deposits.

2. Foreign Exchange Controls Affecting Trade

Haiti has a liberal foreign exchange regime with no limitations on cross border payments.

3. General Availability of Financing

The investor in Haiti has access to a limited variety of credit instruments, ranging from short-term loans to generate working capital, to medium- and long-term credit arrangements to finance the construction or purchase of buildings, or purchase or replacement of production equipment and fixtures.

Other non-commercial institutions, created and financed largely with the support of international donors, provide credit to micro-entrepreneurs. Their purpose is to mobilize financial resources for working capital and fixed-asset investment of priority sector enterprises. These banks can offer longer-term loans and assume risks which commercial banks would have to decline.

4. How to Finance Exports - Methods of Payment

Foreign exporters to Haiti have access to a large range of payment arrangements (advances, letters of credit, bank guarantees) and are free to use domestic or foreign financing.

5. Types of Available Export Financing and Insurance

GSM credit guarantees are available to companies doing business with Haiti, however, Ex-Im Bank financing is not currently available. Insurance programs through the World Bank's Multilateral Investment Guarantee Agency are now available to U.S. investors in Haiti. Private Haitian insurance companies and agents representing foreign insurance companies cover risks associated with overland, maritime, and air transportation. Several local companies meeting international standards of operation provide export insurance.

6. Availability of Project Financing

OPIC financing is available for suitable projects in Haiti, and interested companies should contact the Commercial Office for additional information on OPIC's program in Haiti. Standard commercial financing is available from Haitian and foreign banks; however, long term financing is constrained by the short-term structure of deposits. SOFIHDES, a USAID-founded private financial corporation, finances small and medium sized investments in agribusiness and export industries.

International financing is available to potential investors through the following:

Banque Europeenne d'Investissement (BEI) under the Lomé Convention
Caribbean Export Development Agency (European Union)
Overseas Private Investment Corporation (OPIC)
Inter-American Investment Society (IIS/IDB)
International Finance Corporation (IFC) / World Bank

7. Types of Projects Receiving Financial Support

Multilateral development banks are also active in Haiti financing various projects. The Inter-American Development Bank (IDB) and the World Bank have set aside funding for several projects in the infrastructure area (e.g., sanitation, water management, waste disposal, energy, road construction and rehabilitation). The IDB and World Bank are also funding other projects designed for municipal development and institutional strengthening. The IDB and the World Bank can be reached at:

Inter-American Development Bank

386 Avenue John Brown
Boite Postal 1321
Port-au-Prince, Haiti
TEL: (509) 245-5711, 245-5633
FAX: (509) 245-5744

World Bank

19 Rue Emeryc
Port-au-Prince, Haiti
TEL: (509) 257-9400, 257-9418
FAX: (509) 257-9412

8. List of Haitian Banks with Correspondents in the U.S.

Capital Bank: Riggs International Banking Corp. (FL)
BPH: Nations Bank (FL), Citibank International (NY)
BUH: Nations Bank (FL), First Union (FL), Citibank International (NY)
Promobank: Bank of New York (NY), Bank of America (FL), Nations Bank (FL), BNP (NY)
Socabank: Nations Bank (FL), Republic Bank (FL), Citibank International (NY)
Sogebank: Sunbank (FL), Bank of America (FL), Nations Bank (FL), Royal Bank of Canada (NY), First Union (FL)
Unibank: Bank of America (FL), Nations Bank (FL), Chase Manhattan Bank (FL)
Intercontin-
entale Bank: Bank of Boston (MA), Hamilton Bank (FL), Bank of America (NY)

CHAPTER IX. BUSINESS TRAVEL

1. Business Customs

Haitians are open to working with foreign investors and are particularly well disposed towards U.S. businessmen. Most businessmen and women speak English fluently. Appointments with Haitian businessmen should be made in advance. Invitations to restaurants are appreciated and business is usually discussed in restaurants as much as in offices.

2. Travel Advisory and Visas

Visitors are required to have a valid passport. Visitors from the U.S., U.K. and its possessions, France and Germany may not require a visa depending on their length of stay and/or onward passage being assured.

The U.S. Department of State's Office of Citizens Services can provide updated travel information on Haiti at (202) 647-5225.

3. Holidays - 2000

January 1	Independence Day
January 2	Ancestor's Day
* Feb/March	Mardi Gras
# March/April	Good Friday

May 1	Labor Day
May 18	Flag Day
October 18	Dessalines Day
November 2	All Souls Day
November 18	Battle of Vertieres
December 25	Christmas

* Mardi Gras is celebrated during the three day period preceding the start of Lent. (Fat Tuesday is the only official holiday)

Good Friday is celebrated the Friday preceding Easter

4. Workweek in Haiti

Government and commercial offices typically open between 8:00am-9:00am, and close between 3:30pm-5:00pm. Many retail businesses remain open during the early evening, providing services until 7:00pm-8:00pm.

5. Business Infrastructure

Facilities for visiting businessmen and women are provided by several hotels located mainly in Petion-Ville, a suburb of Port-au-Prince. The largest hotels offer a full range of business services, including Internet connectivity, voice mail, e-mail, etc. Reservations can be made by telephone, fax, or e-mail, and it is advisable to book accommodations at least two weeks in advance of any visit. There are few comfortable hotels in the major provinces, though acceptable accommodations can be found in some of the larger cities.

The major car rental agencies located in Port-au-Prince include Hertz, Avis, Budget, Dollar, and Secom. The postal and telephone services are not always efficient but fax machines are widely used and Internet e-mail is very reliable. Air travel is possible from Port-au-Prince to the main provinces. The national highways to Jeremie, Port-de-Paix and Hinche are not paved. During 1999 two new taxicab companies began operating in Port-au-Prince, using radio controlled dispatching service. These two companies are known to be reliable for local transportation. Privately operated taxicabs and other public transportation vehicles are usually dirty, crowded, and of questionable reliability. Moreover, the requirement of safety inspections is seldom enforced. Visitors are well advised to hire a car and driver for ground transportation requirements in Haiti. Most important commercial and industrial enterprises can correspond in English and often Spanish. French and Creole cuisine is widely available at affordable prices.

A publication ("Guide for Business Representatives") is available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, 20402, tel 202-512-1800, or fax 202-512-2250. Business travelers to Haiti seeking appointments with U.S. Embassy officials in Port-au-Prince should contact the Commercial Section in advance of their arrival date by calling 509-223-5511 or 223-6857, fax number 509-223-5515.

5. Temporary Entry of Goods

Haiti does require special payment to be made on products that are entering the country temporarily. Businesspeople who are planning to bring a large quantity of equipment or products temporarily into Haiti should contact the Commercial Office for guidance well before arranging final shipment.

CHAPTER X. APPENDICES

Appendix A: Country Data

Population: 8,000,000 (est.)

Population Growth Rate: 2.1% annually

Religion: Roman Catholic (80%) Protestant (20%)

Government System: Presidential and Parliamentary Democracy

Languages: French and Creole. English is widely spoken in business circles.

Work Week (Business): 40 Hours
(Monday - Friday 8:00 a.m.- 5:00 p.m.)

Federal Government: 30 Hours
(Monday - Friday 8:00 a.m.- 2:00 p.m.)

Industry: 48 hours

Appendix B: Domestic Economy

	FY 1997	FY 1998	FY 1999-est
Nominal GDP: (U.S. billions, current prices)	3.43	3.79	4.36
GDP Growth Rate (%):	1.1	3.0	2.2
GDP per Capita (U.S.\$):	335.4	347.6	351.8
Government Spending (as % of GDP):	17.8	16.0	9.0
Inflation (%):	16.3	10.0	8.0
Unemployment (%):	65.0	65.0	65.0
Foreign Exchange Reserves: (U.S. \$ millions)	158.1	162.0	200.0
Average Exchange Rate for \$1:	16.7	17.0	17.0
Foreign Debt (U.S.\$ millions):	991.4	1080	1100
Debt service ratio:	26.1	24.8	25.0
U.S. Economic/Military Development Assistance:	119.9	120.0	119.0

*Source: IMF Data and Embassy Estimates

Appendix C: Trade (For 1997, 1998, 1999 in US\$ Millions)

	1997	1998	1999 (Jan-Apr)
U.S. Exports to Haiti:	499.0	548.0	205.0
U.S. Imports from Haiti:	188.0	272.0	86.0
Total Haitian Exports (FOB):	-	-	-
Total Haitian Imports (FOB):	-	-	-

Note: US import and export data and Haitian import and export data may vary as a result of different statistical practices. Data in Haiti are not reliable. Technical Assistance is being provided to the GOH to improve data collection procedures.

Appendix D: U.S. And Country Contacts

U.S. GOVERNMENT CONTACTS

U.S. Department of Commerce

Haiti Help Desk

Room 3025

Washington, D.C. 20230

tel: (202) 482-0704

fax: (202) 482-0464

World Wide Web address: <http://www.ita.doc.gov>

U.S. Department of State

Coordinator for Business Affairs

Room 4906

Washington, D.C. 20520

tel: (202) 746-1625

fax: (202) 647-3953

U.S. Agency for International Development (AID)

Bureau for Latin America and the Caribbean

Room 5-8-90

Ronald Reagan Building, 1300 Pennsylvania Avenue, NW

Washington, D.C. 20523-5900

tel: (202) 712-1641, 712-1618, fax: (202) 216-3020

U.S. Department of Agriculture

Washington, D.C. 20523-1602

Foreign Agriculture Service

Trade Assistance and Promotion Office

Room 3246 South Building

Washington, D.C. 20250

tel: (202) 720-7420

fax: (202) 690-3982

U.S. Trade and Development Agency (TDA)

Regional Director for Latin America and the Caribbean

Room 309, SA-16

U.S. Department of State

tel: (703) 875-4357

fax: (703) 875-4009

Overseas Private Investment Corporation (OPIC)

1100 New York Avenue, N.W.

Washington, D.C. 20527

(Insurance Department)

tel: (202) 336-8590, (202) 336-8400 fax: (202) 408-5142

(Finance Department)

tel: (202) 336-8452/8490

fax: (202) 408-9866

U.S. Embassy - Port-au-Prince

American Embassy

Harry Truman Boulevard

P.O. Box 1761

Port-au-Prince, Haiti

U.S. Foreign Commercial Service

tel: (509) 223-5511, 223-6857

fax: (509) 223-5515

Economic Section

tel: (509) 223-1477, 222-0354

fax: (509) 223-1641

USAID

tel: (509) 222-5500

fax: (509) 223-9603

HAITIAN GOVERNMENT CONTACTS

Office of the President

Palais National
Port-au-Prince, Haiti
tel: (509) 223-7326, 222-3024
(President: Rene Preval)

Office of the Prime Minister

Palais de Ministeres
Rue Monseigneur Guilloux
Port-au-Prince, Haiti
tel: (509) 245-0007/0725/0025
(Prime Minister: Jacques Edouard Alexis)

Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR)

B.P. 2162
Route Nationale No. 1
Damien, Port-au-Prince, Haiti
tel: (509) 222-3599/5221 fax: (509) 222-3591
(Minister: Francois Severin)

Ministry of Commerce and Industry

Rue Legitime #8, Champ de Mars
Port-au-Prince, Haiti
tel: (509) 222-1628/2499/8167/0878
fax: (509) 223-8402
(Minister: Gerald Germain)

Ministry of Economy and Finance

Palais de Ministeres
Rue Monseigneur Guilloux
Port-au-Prince, Haiti
tel: (509) 223-8383, 222-7113/2998
fax: (509) 223-1247
(Minister: Fred Joseph)

Ministry of Environment

Haut Turgeau
Port-au-Prince, Haiti
tel: (509) 245-7585/7572
fax: (509) 245-7360
(Minister: Yves Cadet)

Ministry of Foreign Affairs

Boulevard Harry Truman
Cite de l'Exposition
Port-au-Prince, Haiti
tel: (509) 222-8482, 222-1243, 223-1668
fax: (509) 223-8912
(Minister: Fritz Longchamp)

Ministry of Justice

19, Rue Charles Summer
Port-au-Prince, Haiti
tel: (509) 245-5658, 245-1646, 245-3003
fax: (509) 245-0474
(Minister: Camille Leblanc)

Ministry of Planning and External Cooperation

Palais de Ministeres
Rue Monseigneur Guilloux
Port-au-Prince, Haiti
tel: (509) 223-4193, 222-4148/7508
fax: (509) 223-4193

(Minister: Anthony Dessource)

Ministry of Public Health

Palais de Ministeres
Rue Monseigneur Guilloux
Port-au-Prince, Haiti
tel: (509) 223-6248, 223-1636 fax: (509) 223-6248, 222-4066
(Minister: Dr. Michaelle Amedee Gedeon)

Ministry of Public Works, Transport, and Communications (MTPTC)

Palais des Ministeres
Rue Monseigneur Guilloux
B.P. 2002
Port-au-Prince, Haiti
tel: (509) 222-3240/3230 fax: (509) 223-4798
(Minister: Ing. Max Alce)

Ministry of Social Affairs

Rue de la Révolution
Port-au-Prince, Haiti
tel: (509) 222-2450/1244/1711/8161
fax: (509) 223-8084
(Minister: Mathilde Flambert)

Secretariat of State for Tourism

8, Rue Legitime
Port-au-Prince, Haiti
tel: (509) 223-5631/0723 fax: (509) 223-3931
(Secretary: Maryse Penette)

Bureau of Energy and Mines

Delmas 29, Rue Nina;
Port-au-Prince, Haiti
tel: (509) 246-1163/2248/2853
(Director General: Dieuseul Anglade)

Bank of the Republic of Haiti (Central Bank of Haiti)

Rue des Miracles
B.P. 1570
Port-au-Prince, Haiti
tel: (509) 222-2676/4135/0249/4142
(Governor: Fritz Jean)

Customs Administration

Delmas 28, #162
Port-au-Prince, Haiti
tel: (509) 46-4564/4614, 49-1948 fax: (509) 46-3150
(Director General: Jean-Jacques Valentin)

Electricity of Haiti (EDH)

B.P. 1753
Port-au-Prince, Haiti
tel: (509) 23-4600/5541/2201 fax: (509) 23-8750
(Director General: Claude Elisma)

Telecommunications of Haiti (Teleco)

Boulevard J.J. Dessalines
B.P. 814
Port-au-Prince, Haiti
tel: (509) 45-1169/0800/1999 fax: (509) 45-1169
(Director General: Julio Cadet)

National Port Authority (APN)

Boulevard de la Saline

B.P. 616
Port-au-Prince, Haiti
tel: (509) 222-5300/9052, 223-0473
(Director General: Julio Julien)

National Water Service (SNEP)

Delmas 45
Port-au-Prince, Haiti
tel: (509) 246-3044/2927/0316/0318
(Director General: Georges Exantus)

Metropolitan Water Company (CAMEP)

104 Rue Paul VI
Port-au-Prince, Haiti
tel: (509) 222-8377/4220
(Director General: Lionel Jean Baptiste)

Council for the Modernization of Public Enterprises

National Palace
Port-au-Prince, Haiti
tel: (509) 222-4111/5946 fax: 222-7761
(Member: Yves Bastien)

HAITIAN GOVERNMENT OFFICES IN THE UNITED STATES

Embassy of Haiti
2311 Massachusetts Ave., N.W.
Washington, D.C. 20008
tel: (202) 332-4090 fax: (202) 745-7215
Jean Casimir, Ambassador
Harold Joseph, Commercial Attache

Consulate General of Haiti
220 S. State Street, Suite 2110
Chicago, IL 60604
tel: (312) 922-4004 fax: (312) 922-7122
Clausel Rosembert, Consul
Nadege Merceron, Commercial Attache

Consulate General of Haiti
545 Boylston Street, Room 501
Boston, MA 02116
tel: (617) 266-3660
Jean Geneus, Consul

Consulate General of Haiti
259 SW 13th Street
Miami, FL 33130
tel: (305) 859-2003
Gabriel Augustin, Consul

Consulate General of Haiti
271 Madison Ave.
New York, N.Y. 10016
tel: (212) 697-9767 fax: (212) 949-7966
Rony Berret, Commercial Attache

HAITIAN BUSINESS CHAMBERS AND INDUSTRY ASSOCIATIONS

Haitian Manufacturers Association (ADIH)

Bldg. Le Triangle
199, Route de Delmas, Suite 31
P.O. Box 2568
Port-au-Prince, Haiti

tel: (509) 246-4509/4510 fax: (509) 246-2211
President: Richard Coles

Center for Free Enterprise and Democracy (CLED)

37 Avenue Marie-Jeanne, No. 8
B.P. 1316
Port-au-Prince, Haiti
tel: (509) 222-9720/9721 fax: (509) 222-9720/9721, 223-8417
President: Lionel Delatour

Haitian Chamber of Commerce and Industry

Blvd. Harry Truman
B.P. 982
Port-au-Prince, Haiti
tel: (509) 223-0786, 222-2475, 222-8661 fax: (509) 222-0281
President: Olivier Nadal email: ccih@compa.net

Haitian American Chamber of Commerce and Industry (HAMCHAM)

Complexe 384, Suite No. 5
Route Delmas
B.P. 13486
Port-au-Prince, Haiti
tel/fax: (509) 246-0143, 510-7052
President: Alex Knowles
Executive Director: Dominique Lacombe

Agricultural Producers Association (APA)

Avenue Haile Selassie
B.P. 1318
Port-au-Prince, Haiti
Tel: (509) 246-1836/1840 Fax: (509) 246-0356
President: Reynold Bonnefil

Haitian Hotel and Tourism Association (AHTH)

Hotel Montana
B.P. 2562
Port-au-Prince, Haiti
Tel: (509) 257-1920/4647 Fax: (509) 257-6137
President: Richard Buteau

Inter-American Businessmen Association (AIHE)

126, Rue des Miracles
B.P. 13110
Port-au-Prince, Haiti
Tel: (509) 222-8392 Fax: (509) 222-8071
President: Lionel Turnier

Franco-Haitian Chamber of Commerce and Industry

Plaza Holiday Inn
P.O. Box 1429
Port-au-Prince, Haiti
Tel: (509) 223-8424/8404 Fax: (509) 223-8131
President: Axan Abellard

Association of Coffee Exporters (ASDEC)

Rue Barbancourt
B.P. 134
Port-au-Prince, Haiti
Tel: (509) 249-2919/2928 Fax: (509) 249-2142, 246-3483
President: Hubert Dufort

Association of Travel Agencies (ASHAV)

B.P. 15794
Petion-Ville, Haiti

Tel: (509) 245-6980 Fax: (509) 245-6407
President: Victor Chatelain

Haitian Association of Construction Companies (AHEC)

Atelier D'Architecture & D'Urbanisme
B.P. 666
Port-au-Prince, Haiti
Tel: (509) 223-5050 Fax: (509) 223-5804
President: Marcel Pereira

National Association of Importers and Distributors of Pharmaceutical Products (ANIDPP)

(co-located with the Chamber of Commerce and Industry)
Harry Truman Blvd.
Port-au-Prince, Haiti
Tel: (509) 222-0268/7887 Fax: (509) 222-7887
President: Robert Nadal Fils

Association of National Producers (APRONA)

B.P. 745
Petion-Ville, Haiti
Tel: (509) 257-0921, 246-0669 Fax: (509) 234-1410
President: Claude Ewald

National Association of Distributors of Petroleum Products (ANADIPP)

401, Route de Delmas
B.P. 1379
Port-au-Prince, Haiti
Tel: (509) 246-1414, 223-1378 Fax: (509) 246-1414
President: Harry Clesca

Professional Association of Banks (APB)

Complexe 384 Route de Delmas, Suite Port-au-Prince, Haiti
Tel: (509) 246-2076 Fax: (509) 246-0143
President: Jean Bordes Chatel

Chamber of Maritime Companies (AALM)

Boulevard de la Saline
B.P. 603
Port-au-Prince, Haiti
Tel: (509) 223-1212/1312 Fax: (509) 222-1515
President: Wihelm E. Lemke, Jr.

Chamber of Commerce and Industry of the North and Northeast (CCIPNNE)

Rue 11D
B.P. 10
Cap-Haitien, Haiti
Tel: (509) 262-1818/0088
Presidents: Georgemain Prophete

Chamber of Commerce of the Lower Artibonite

No. 83, Rue Christophe
St. Marc, Haiti
Tel: (509) 279-1218, 257-1619
President: Franck Paultre

Artibonite Entrepreneurs Association

P.O. Box #29
Gonaives, Haiti
Tel: (509) 274-1317
President: Pierre Robert Auguste

HAITIAN MARKET RESEARCH FIRMS

Akad & Associates

P.O. Box 15256

Petion-Ville, Haiti

Tel: (509) 257-4448

Fax: (509) 223-7612

Capital Consult, S.A.

Ruelle Cheriez # 32

Port-au-Prince, Haiti

Tel: (509) 245-3199

Fax: (509) 245-2844

ConsultAction

159 Rue des Miracles

Port-au-Prince, Haiti

Tel: (509) 223-7606

Fax: (509) 223-9056

Group Croissance

Complexe 384, Apt. 10

Route de Delmas

Port-au-Prince, Haiti

Tel: (509) 249-4546

Fax: (509) 249-4546

Tardieu et Fils

Lalue 95

Port-au-Prince, Haiti

Tel: (509) 222-0435

Fax: (509) 222-2271

HAITIAN INDUSTRIAL PARKS**Societe Nationale des Parcs Industriels (SONAPI)**

B.P. 2345

Route de l'Aeroport

Port-au-Prince, Haiti

tel: (509) 246-0099/0177

Manager: Alix Lamarque

Shodescosa Industrial Park

B.P. 1310

Route Nationale No. 1

Port-au-Prince, Haiti

tel: (509) 223-8593/7884/8063/8352

fax: (509) 222-4145

Director General: Youri Mevs Noel

INTERNATIONAL DEVELOPMENT BANKS/ORGANIZATIONS**Inter-American Development Bank**

Bourdon 389

B.P. 1321

Port-au-Prince, Haiti

tel: (509) 245-5711/5633

fax: (509) 245-5744

Representative: Mr. Philippe Dewez

World Bank

19 Rue Emeryc

Port-au-Prince, Haiti

tel: (509) 257-9400, 257-9433 fax: (509) 257-9412

Representative: Mr. Michael Azefer

U.S.-BASED BUSINESS ORGANIZATIONS SUPPORTING HAITI**Haiti Task Force - Caribbean/Latin American Action (C/LAA)**

1818 N. Street, N.W., Suite 310

Washington, D.C. 20036

tel: (202) 466-7464 fax: (202) 822-0075
Peter Johnson, Executive Director
Claudia Liautaud, Director, Haiti Project

Haitian-Americans for Economic Development (HAFED)
2401 Blue Ridge Avenue, Suite 303
Wheaton, MD 20902
tel: (301) 946-0445 fax: (301) 946-8427
Pierre Leger, President

Association for Haitian American Development (AHAD)
P.O. Box 2332
Decatur, GA 30031-2332
tel: (404) 355-6426
Serge Declama, President

Haiti Committee - Greater Miami Chamber of Commerce (GMCC)
Omni International Complex
1601 Biscayne Boulevard
Miami, FL 33132-1260
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Appendix E: Market Research

The Commercial Service has reported the following sales and investment opportunities in Haiti for the period June 1997 through June 1999.

1. Annual Caribbean Basin Investment Survey (June 1999)
2. Franchising In Haiti (May 1999)
3. Pharmaceutical Products (April 1999)
4. Regulations for Importing Used Vehicle Parts (March 1999)

5. Castor Oil Extraction/Refinery Plant (February 1999)
6. Cosmetics and Personal Care Products (October 1998)
7. Breeding Stock for Poultry Operation (October 1998)
8. Pharmaceutical and Medical Equipment (September 1998)
9. Investment Promotion Center Services (September 1998)
10. Electromechanical and Hydraulic Equipment (August 1998)
11. Used and Refurbished Equipment (August 1998)
12. Road Rehabilitation Services (July 1998)
13. Optical Frame Machinery (July 1998)
14. School Supplies (July 1998)
15. Hand Tools (July 1998)
16. Castor Oil Extraction Equipment (July 1998)
17. Agricultural Machinery (June 1998)
18. Mineral Coal (June 1998)
19. Meat Processing Equipment (April 1998)
20. Medical Equipment (April 1998)
21. Liquid Propane Gas Powered Appliances (March 1998)
22. Marble Quarry Machinery (March 1998)
23. Calcium Carbonate Investment Opportunity (March 1998)
24. Generic Pharmaceutical Products (March 1998)
25. Plastic Sheeting (January 1998)
26. Tortuga Island Tourism Investment Opportunity (Oct. 1997)
27. Health Resort Investment Opportunity (October 1997)
28. Earthmoving Equipment (October 1997)
29. Paving Machinery (October 1997)
30. Housing Project Investment Opportunity (October 1997)
31. Fishing Equipment (September 1997)
32. Sulfonation Chemicals (September 1997)
33. Water Treatment/Ice Making Machinery (September 1997)
34. Bond Paper (July 1997)
35. Acrylic Knitting Yarn (July 1997)
36. Cement Factory Investment Opportunity (July 1997)
37. Road Building Equipment (June 1997)
38. Food and Beverage Products (July 1997)
39. Beverage Machinery (June 1997)
40. Industrial Lubricants (June 1997)
41. Road Construction Machinery (June 1997)
42. Beverage Production Machinery (June 1997)
43. Telephone Cabling (June 1997)